DOES ENVIRONMENTALLY RESPONSIBLE INVESTING PENALIZE INVESTORS?

by

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ABSTRACT

This study analyzes the performance of environmentally responsible investing, in order to uncover whether investors are penalized for their choice to invest in environmentally responsible companies. An equally weighted index of environmentally responsible companies, measured by the Climate Disclosure Leadership Index (CDLI), achieves abnormal returns using the Sharpe ratio, Jensen's alpha and Fama and French Three Factor models. However, equally weighted portfolios of the non-CDLI companies as well as the Financial Times 500 companies as a whole, achieve higher abnormal returns on all three performance measures. The results clearly demonstrate statistically significant abnormal returns on all three indices. Therefore, environmentally responsible investing does not penalize investors on a risk-adjusted basis. However, it does not reward investors to the same extent as investing without constraints.

Keywords: investing; green investing; environmentally responsible investing; environment
Subject Terms: green investing; environmentally responsible investing

DEDICATION

To my parents and grandparents, without your support and encouragement - I would not have made it this far

Couldn't have done it without you!

THANK YOU!!!!!!!!!

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Thank you to Professor Robert Grauer for all the guidance and support given during this project. Also, I would like to thank all those who took the time to forward information to me regarding this topic – I greatly appreciate it.

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GLOSSARY

Socially Responsible Investing (SRI)	An investment process that considers the social and environmental consequences of investments, both positive and negative, within the context of rigorous financial analysis.
Social Investment Organization (SIO)	A membership-based organization that provides information and research regarding growth and trends within socially responsible investment.
Carbon Disclosure Project (CDP)	Is an independent non-profit organization aspiring to create a lasting relationship between shareholders and corporations regarding climate change's implication for shareholder value and commercial operations
Climate Disclosure Leadership Index (CDLI)	Is comprised of 68 Financial Times 500 companies that demonstrate distinction in their responses to the CDP survey based on their reporting of greenhouse gas emissions and assessment of a company's climate change strategy.
Coalition for Environmentally Responsible Economies (CERES)	Is a national network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges such as global climate change.
Investor Network on Climate Risk (INCR)	A network created in November 2003 to promote better understanding of the risks of climate change among institutional investors.

1 INTRODUCTION

Environmentally responsible investing has received increased exposure in the last few years as climate change is becoming more apparent in every day life. In addition, climate change was chosen as the shift most likely to affect the world in the future at the World Economic Forum (CDP FT500 Report, 2007). This paper will investigate whether investors can achieve the same or better returns through investing in environmentally friendly stocks. Although this paper focuses on environmentally responsible investing, it is important to establish a background of socially responsible investing. The paper will then turn its focus on the emergence of green investing both in a practical industry setting and through a literature review. A comparison of risk-adjusted returns, using the Sharpe ratio, as well as both the Jensen's alpha and Fama and French Three Factor Model will be employed to examine whether investors are penalized for investing in environmentally responsible companies. The Climate Disclosure Leadership Index (CDLI) will be used as an equally weighted index of environmentally responsible firms, while the remainder of the Financial Times 500 (FT500) will serve as the non-environmentally responsible firms. All performance measures will be calculated and compared for the equally weighted portfolios of CDLI firms, non-CDLI firms and the FT500 as a whole. In addition, all comparisons will be presented for the equal weighted CRSP index and descriptive statistics and the Sharpe ratio will be presented for the value weighted CRSP.

1.1 Socially Responsible Investing

The roots of modern socially responsible investing can be traced back to the passionate political climate of the 1960s, stemming from issues such as the anti-Vietnam war movement, civil rights, concerns about the cold war and equality for women. In the 1970s, these issues broadened to include management and labour issues, as well as an anti-nuclear outlook. The 1980s brought racism and human rights to the forefront. The intensity of socially responsible attitudes continued to increase through Bhopal, Chernobyl and the Exxon Valdez incidents. In addition, as of late, the vast amount of information regarding global warming and ozone depletion has catapulted environmental concern to the forefront of socially responsible investment (Schueth, 2003).

Socially responsible investing (SRI) has risen dramatically from $639 billion in 1995 to $2.29 trillion in 2005, a 258% increase in 10 years. Schueth (2003) proposes that investors choose to invest responsibly in order to achieve their financial goals while catalyzing positive changes in corporate behaviour. In other words, investors exercise their power as shareholders and the traditional market mechanisms to assist in the creation of a more "just, sustainable and healthy society." Socially responsible investors possess two complimentary motivations for their investment decisions: (1) the need to invest their money to work in a manner that is more closely aligned with their personal values and priorities otherwise referred to as 'feel good investors' and (2) the investor's need to put their investment capital to work in ways that support and encourage improvements in quality of life and serve as a catalyst for positive change in society at large, 'societal investors' (Schueth, 2003).

Investors employ three strategies in order to achieve their socially responsible investing goals:

1) Screening – including or excluding companies from portfolios based on specific social and/or environmental criteria.
2) Shareholder advocacy – attempting to cooperatively steer management on a course design that is believed to improve financial performance over time and enhance the well-being of all the company's stakeholders.
3) Community investing – providing capital to people in low-income, at risk, communities who have difficulty accessing it through conventional channels.

Socially responsible investing has been plagued with controversy and opposing perspectives since its emergence in the 1960s. Proponents of SRI believe that ethical investing provides the capacity to change the world, in that, it allows people the ability to withdraw their funds from 'unethical' firms thereby depressing the stock values and raising the cost of capital. Once withdrawn, the funds can then be redirected to 'ethical' funds, increasing the value of these firms and decreasing their cost of capital. Sceptics, on the other hand, believe that screening funds will narrow the portfolio choices for non-financial reasons, increasing the risk of the fund and resulting in lower returns (Hoggett and Nahan, 2002). Given the opposing viewpoints attributed to SRI, it would be ideal to be able to turn to academic research to provide evidence and support for one side or the other. Unfortunately, the evidence is also contradictory. Hogget and Nahan (2002) propose that ethical investment has become a generalization of investment. They cite that all of the top 250 firms on the Australian stock exchange are included in at least one ethical fund or another. "In other words, almost any legal business activity will be regarded as ethical by a sufficient group of investors to be included in an ethical fund." In contrast, Schueth (2003) advocates a growing body of evidence that supports the concept that investors are not required to sacrifice performance in order to invest in an ethical manner: "Many investors are realizing that responsibility can now walk hand-in hand with prosperity" (Schueth, 2003, p. 192).

1.2 Environmentally Friendly Investing

Climate change has become a topic of extreme concern, especially in the last couple of years. Scientists have long been warning people about the potential adverse effects that accompany the ozone depletion and global warming. The issue recently received a great deal of attention during the aftermath of last year's intense storms, such as Hurricane Katrina and the release of Al Gore's thought provoking documentary, "An Inconvenient Truth." "You know a cultural movement is real when the money men get on board. In just the past year a broad swath of financiers – venture capitalists, hedge funds, investment banks, public pension funds, and even stodgy insurers – have begun sinking billions of dollars into producers of ethanol, fuel cell superbatteries, microscopic bugs that turn glucose into plastic, environmentally friendly pesticides, anything that might tap into the green craze" (BusinessWeek, 2006). Business tycoons, such as Warren Buffet, Bill Gates, Larry Page, Sergey Brin, Vinod Khosia, Richard Branson and Jeffrey Immelt are investing hundreds of millions, and in some cases billions, into various green ventures (BusinessWeek, 2006). The Social Investment Organization (SIO) cites that investor concerns over the risks associated with climate change has expanded the scope of environmental screening to encompass much more than mere compliance with environmental protection regulations (Social Investment Forum, 2005). The increased awareness of the risks of climate change have caused institutional investors to join organizations such as the Investor Network on Climate Risk (INCR), a program developed by CERES. Although not all participants in INCR employ screening to conduct their investments, many prefer the use of shareholder advocacy to voice their concerns. In addition, several prominent public retirement systems, including state and municipal retirement systems in the US (for example, California, Vermont, and Maine) have agreed to implement innovative environmental investing mandates on portions of their portfolios. The SIO cites climate change and greenhouse gas emissions as the second most frequently proposed social-issue resolution. Their preliminary data, as of August 31, 2005, documented a 40 percent increase in the number of resolutions filed on climate change during the first eight months of the year. Environmental investments have often been viewed by the business community as a necessary evil; necessary to meet societal standards for controlling pollution and protecting public health, but evil because they result in lower overall profitability by diverting resources away from their traditional use to one that was viewed to be fundamentally non-productive (Cohen et al, 1997). The premise of environmental investment as 'a necessary evil' has come under great scrutiny in recent years, not only by environmental advocates but also by leaders in business and academia as well as individual investors. Until recently, the majority of pollution control was completed in an 'end-of-the-pipe' manner; whereas, trends are now pushing pollution control away from compliance costs towards the creation of a competitive advantage (Cohen et al, 1997).

2 LITERATURE REVIEW

Environmentally responsible investing has recently emerged as a topic of interest to both investors and academics and as such, there is currently a limited body of research available to cover this topic. The research to date has focused on a variety of topics such as corporate behaviour, investor motivations, financial performance and firm performance. However, each topic has only received very limited coverage. This literature review is designed to highlight the wide array of topics within the environmentally friendly investment scope, beginning with a brief look at investor motivations, then moving through the topics of corporate behaviour, firm performance and finally focusing on financial performance.

Lewis (2001) aims to assess the investment motivations of both 'ethical/green' and 'standard' investors and address any moral dilemmas, confusions or inconsistencies they face. Lewis (2001) employed the focus group method in order to enable investors to air their views in a social context with fellow investors. Investors were divided into two categories, standard and ethical investors, enabling the creation of a forum where investors were able to discuss their various motivations for investing, any moral dilemmas they face and what they aim to achieve through investing. Forty-five 'standard' investors were placed into seven focus groups, while 49 'ethical/green' investors were placed into a further seven focus groups. Lewis (2001) found that neither 'ordinary' nor 'ethical' investors were keen to attribute their investment decisions to solely economic factors. Both groups cited 'precaution' and 'foresight' as primary motivations as well as providing for future selves and the avoidance of becoming a burden on others. Naturally, however, ethical investors also reveal avoiding companies who manufacture munitions, are exploitive, and who pollute as primary motivations. Lewis (2001) also found that many 'ethical/green' investors invest ethically and non-ethically, often placing themselves in a moral dilemma. Those investors who offered explanations cited their 'inertia' and their requirement to make enough money to bequeath by not putting all of their money into one ethical 'basket'. The paper suggests that ethical/green investing had become a necessity because of government 'failure' and that it could change the commercial world for the better although the process is admittedly a slow one. Investors who agreed that they invested strictly to make money were in a small minority. In addition, ethical investors were reluctant to agree to any direct or implied characterization that could attribute "economically rational" interests to themselves. Instead, ethical investors state their need to feel as if they are part of a new self-sustaining movement. What Lewis (2001) found to be abundantly clear is it is not only ethical investors, but 'standard' ones as well, who see making investments as more than just a financial decision.

Heinkel, et al. (2001) explore the effects of green investment on the cost of capital of a firm. This paper asks the question: "is the reward from excluding particular stocks from one's portfolio simply the satisfaction obtained from not participating in the economic returns to irresponsible social behaviour? Or, is the restricted investment a type of boycott, designed to induce firms to act appropriately?" The authors examine whether the presence of green investors causes firms to alter their corporate behaviour and reform their polluting behaviour. If this is found to be true, it can then be said that green investing has an economic impact. Heinkel et al. (2001) hold the view that green investors, through their boycotting the purchase of certain equities, changes the risk sharing opportunities in the market, in that there are fewer investors willing to hold securities of firms with polluting technologies, causing those share prices to decline, directly reflecting the lost diversification. Firms are classified into three groups: (1) acceptable firms with clean technologies, (2) unacceptable firms with unreformed polluting technologies, and (3) acceptable firms with reformed polluting technologies. In addition, the assumption is made that firms act to maximize share price and holding the total number of investors constant. An increase in the number of green investors, who refuse to hold equities of unreformed polluting technologies, results in a decrease in neutral investors demand, ensuring a higher expected return from the share price falling below that of an acceptable firm. When the decrease in price results in a differential that exceeds the cost of converting, then firms with polluting technologies will reform, broadening the risk sharing opportunities and shrinking the stock price differential. Heinkel et al. (2001) found that the cost of capital for unacceptable firms is about 9.5%, while the cost of capital for reformed firms is only 3.9%. The discrepancy in the cost of capital is required to induce an unacceptable firm to incur the cost of reforming. An important determinant in the impact of green investing is the cost required to reform polluting technologies. The authors conclude that exclusionary social investment strategies alter the risk sharing opportunity, causing the share price of polluting firms to decline. When the price differential between acceptable and unacceptable firms is large enough, it becomes optimal for the unacceptable firm to pay the cost to reform its technology. Thus, social investing can affect corporate behaviour. In addition, a change in the risk sharing characteristics as green investing increases results in an economy-wide cost of capital change in a non-monotonic way with the cost of capital reaching a maximum when investable funds are equally split between green investing and non-green investing. In their model, Heinkel et al.(2001) found that more than 20% of investors are required to be 'green' in order to induce any polluting firms to reform; current empirical evidence indicates that at most 10% of funds are invested by green investors.

Hart and Ahuja (1996) demonstrate that evidence can be marshalled to support one of two views: (1) that pollution abatement is a cost burden on firms and is detrimental to competition or (2) that reducing emissions increases efficiency, resulting in a money savings and providing the firm with a cost advantage. In an effort to resolve this seemingly paradoxical relationship between firm performance and emissions reduction, they examined a sample of the S&P 500 firms using data drawn from the Investor Responsibility Research Centre's Corporate Environment Profile and Compustat. Hart and Ahuja (1996) test whether reducing pollution and emissions really produce bottom line results or just add investment burden and cost. Five hypotheses were tested:

1) Emissions reduction in time period *t* will enhance operating performance (ROS) in time period *t+1* through lower raw material, compliance, disposal and liability
2) Emissions reduction in time period *t* will enhance operating performance (ROA) in time period *t+1* through the more efficient use of assets
3) Emissions reduction in time period *t* will enhance financial performance (ROE) in time period *t+1* through corresponding improvements in ROS and ROA
4) Emissions reduction in time period *t* will show no relationship to operating or financial performance in that period as time is required for cost savings to be captured
5) Emissions reduction will enhance the operating and financial performance more for firms with higher emissions levels than those with lower emissions levels.

Two screens were applied to the S&P500 companies: (1) only those firms involved in manufacturing, mining or production of some kind were selected and (2) given that the pollution intensity of industries varies widely, a minimum of four firms per industry were required to ensure stable and reliable industry resources. After applying these two screens, 127 companies remained in the sample.

The results clearly demonstrate that reducing emissions has an effect on the operating and financial performance net of the control variables of R&D intensity, capital intensity, advertising intensity, leverage, and industry average performance. Therefore, hypothesis 1 and 2 are confirmed, hypothesis 3 is only partially confirmed as emissions reduction in time period *t* enhances financial performance in time period *t+2* rather than *t+1*. Hypothesis 4 and 5 were also confirmed. The results of this study demonstrate that it does indeed pay to be green and efforts to reduce emissions through pollution prevention appear to drop to the bottom line within one or two years after initiation. In addition, Hart and Ahuja (1996) demonstrate that the marginal cost of reducing emissions seldom exceeds the marginal benefits.

The focus now turns to examining the impact of green/environmentally responsible investing on financial performance. This is accomplished through looking at the works of two groups: (1) M'Zali. and Turcotte (1998) and (2) Cohen, Fenn and Konar (1997).

M'Zali and Turcotte (1998) analyzed the relationship between social/environmental and financial performance, through 3 Canadian environmentally responsible funds and 12 American socially responsible funds. Financial performance incorporates both risk and return characteristics as measured by the Sharpe and Treynor methods. The aim of this study was to demonstrate empirically whether the environmentally responsible Canadian mutual funds and the socially responsible American mutual funds outperform their own market. Four hypotheses were tested:

1) In Canada, the environmental mutual funds outperformed the non-environmentally responsible mutual funds offered by the same institution.
2) In Canada, the environmental mutual funds outperformed the Canadian sock market index, the TSE 300.

3) In the United States, environmental/ethical mutual funds outperformed the other non-specifically ethical mutual funds offered by the same institution
4) In the United States, environmental mutual funds outperformed the American stock market index, the S&P 500.

The results of this study fell directly in line with the literature evaluated, neither unanimous nor convergent. M'Zali and Turcotte (1998) concluded their study by stating that when the quality of management is controlled, the environmental and social mutual funds do not particularly underperform.

Cohen, Fenn and Konar (1997) examine whether there is a relationship between environmental and financial performance of a firm. This is done through the construction of two industry-balanced portfolios of "high polluters" and "low polluters." The two portfolios are then compared on the basis of accounting and market returns. The portfolios are created using the S&P 500 and environmental performance measures based on actual government records or government mandated security-filing disclosures. Subjective or anecdotal analysis to characterize environmental performance is not used. The Investor Responsibility Research Centre served as the primary source of data. For the purpose of this study, green investing was defined as investing in companies that are the environmental leaders in their respective industries. This definition allows for the creation of diversified portfolios accounting for every industry sector. The environmental factors taken into account included: number of environmental litigation proceedings, superfund sites, number of non-compliance penalties, dollar value of non-compliance penalties, volume of toxic chemical releases, number of oil spills, and volume of oil spills. In all cases, the firm's revenues divided the environmental factor being considered in order to adjust for firm size. Accounting returns were then measured using return on assets (ROA) and return on equity (ROE). Stock market performance was measured using the total return to a common shareholder, both before and after adjustments for risk. Cohen, Fenn and Konar (1997) found that in over 80% of the portfolio comparisons the "low polluter" portfolio performs better than the "high polluter" portfolio. If the comparison took into account only risk-adjusted returns, about 75% of the "low polluter" category performed better. Therefore, it does not appear that investors who construct a balanced portfolio of good environmental performers are penalized in terms of market performance. However, only about 20% of these comparisons were statistically significant, prohibiting the results from being interpreted as a 'green investing premium.' Rather the results should be interpreted as strong evidence of no 'green investing penalty.' The results found by Cohen, Fenn and Konar (1997) have very practical implications, in that one can construct a portfolio that mimics the S&P500 index and includes only those firms that ranked as environmental leaders. Such a portfolio would be expected to meet or exceed the market returns of the S&P500. Cohen, Fenn and Konar (1997, p. 126-127) conclude the paper by stating that the "global concern for the environment is a relatively new and fast changing issue... As environmental issues have taken on more and more importance, we would expect the relationship to become even stronger."

3 CLIMATE DISCLOSURE LEADERSHIP INDEX RESEARCH

Considering the recent research addressing the issue of environmental investing, research indicates there is no statistically significant indication that investors should expect to earn less through implementing an environmentally friendly investment strategy. The short time frame for which environmentally responsible funds have been available hinders the current research. Global warming has become a heated topic in the last year and as such, it can be expected that research and attention to this topic will increase.

The following study provides an analysis of performance measures for the Climate Disclosure Leadership Index (CDLI) created by The Carbon Disclosure Project (CDP) and compares the results to both the companies present on the FT500 that did not receive distinction and the FT500 as a whole. Utilizing the tests, assumptions and research methods of industry experts, this paper will integrate evolving literature and education to provide a comprehensive analysis of environmentally responsible investing.

4 DATA

The data utilized in this study was obtained through practices aligned with industry expectations. Given that the FT500 is comprised of the 500 largest companies worldwide, different sources were required to gain the return information for US and non-US companies. The CRSP database was utilized to obtain the historical returns for all 292 companies held on a US exchange, while Bloomberg was employed to gain the information for all 163 international companies. In addition, US value weighted benchmark factors and US risk-free rates were obtained through Kenneth R. French's Data Library. Historical monthly holding period returns were obtained over the period of January 1970 to December 2006, or the longest period available. For example, monthly historical holding period returns for Microsoft were obtained from April 1986 to December 2006.

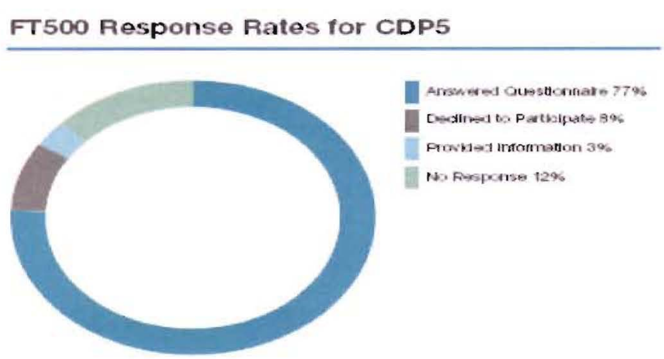
4.1 Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent non-profit organization aspiring to create a lasting relationship between shareholders and corporations regarding climate changes' implications for shareholder value and commercial operations. The goal of CDP is to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge. In each of the past five years, the CDP has conducted a survey seeking information on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest 2,400 companies. The CDP, since its launch in 2000, has become the standard mechanism by which companies report their greenhouse gas emissions to investors.

4.1.1 CDP5 FT500 Report

The CDP5 FT500 Report is the fifth report issued by the Carbon Disclosure Project for the Financial Times 500 companies, based on information requested on February 1, 2007. CDP5 demonstrates through the increased support and improved response quality, that the private sector is actively engaged in addressing the global challenges presented by climate change. "As the global understanding of climate change and the associated risks and opportunities continue to develop, investors are increasingly demanding more advanced corporate disclosure on carbon performance," and companies are complying with CDP5 response rate of 77% or 383 of the 500 companies on the FT500.

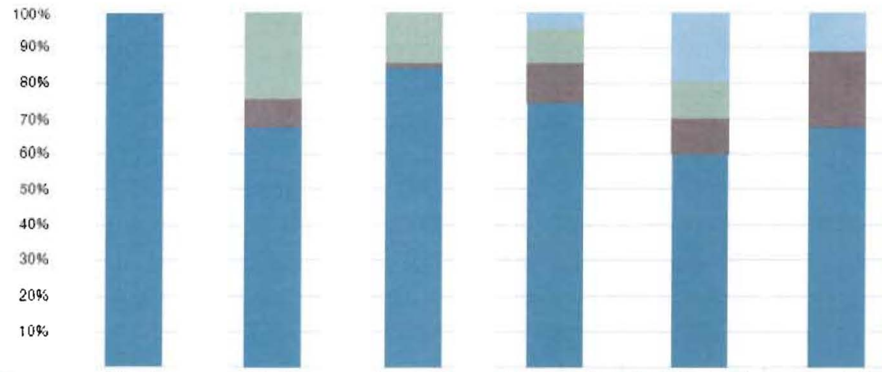
Figure 1: FT500 Response Rates



Source: Carbon Disclosure Project Report 2007: Global FT500

Figure 2: FT500 Response by Region

CDP5 FT500 Response by Region



Region (number of companies)	Africa (3)	Asia (92)	Europe (169)	North America (217)	South America (10)	Oceania (9)
Provided Information	0	1	2	10	2	1
No Response	0	22	23	22	1	0
Declined to Participate	0	7	3	25	1	2
Answered Questionnaire	3	62	141	160	6	6
% Answered Questionnaire	100%	67%	83%	74%	60%	67%

Source: Carbon Disclosure Project Report 2007: Global FT500

An analysis of the FT500 companies revealed that 95% of companies that consider climate change to present commercial risks have implemented a greenhouse gas reduction program with a specified target and timeline. In total, 76% or 286 of responding companies have implemented a greenhouse gas reduction program compared to 48% in CDP4. A somewhat surprising result in terms of disclosure rates found that carbon-intensive sectors lead with higher disclosure rates, with an average response rate of 75% compared to low-carbon sectors average response rate of 69%.

Figure 3: CDP5 Response Rate for Carbon-Intensive Sectors

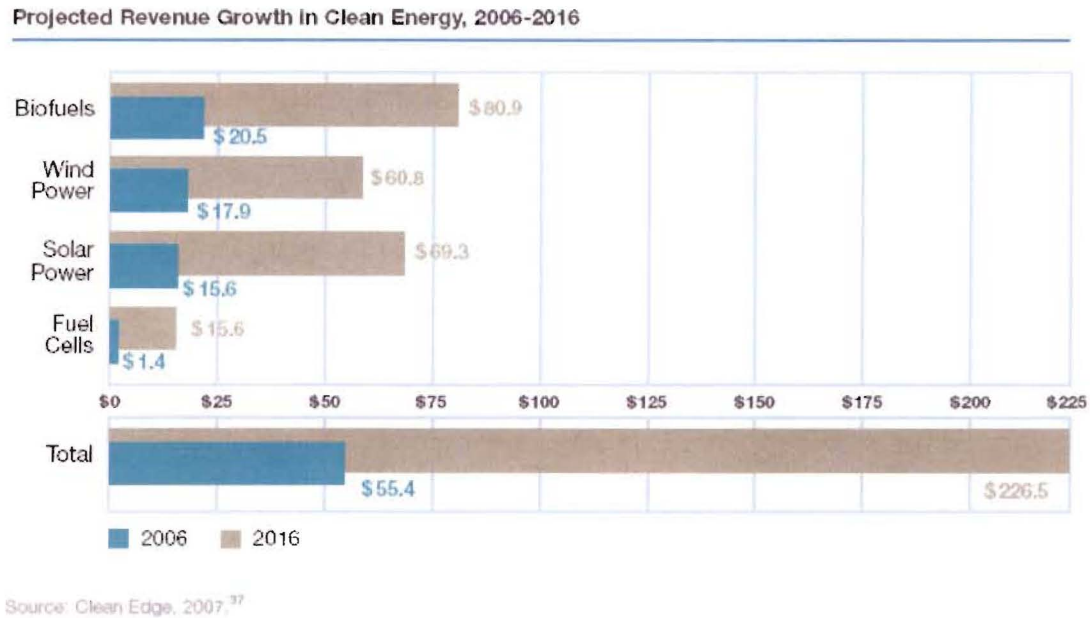
Overall, 77% of the FT500 completed the CDP5 questionnaire, but the response rate among most carbon-intensive sectors is significantly higher:	
Cluster	**Response Rate**
Aerospace & Defense	78%
Automobiles and Auto Components	92%
Chemicals (Diversified and Specialty)	100%
Construction Materials and Building Products	100%
Electric Power – North America	86%
Electric Utilities – International	81%
Integrated Oil & Gas	71%
Metals & Mining and Steel	76%
Multi-Utilities & Unregulated Power	83%
Oil & Gas Exploration and Production	100%
Pharmaceuticals	95%

Source: Carbon Disclosure Project Report 2007: Global FT500

Unfortunately, despite significant risk exposure, only 64% of responding carbon-intensive companies have allocated board level or upper management responsibility for climate change.

The implications of climate change are leading to new developments, especially within the energy sector. CDP reports that in 2006, "the global investment in sustainable energy reached USD 70.9 billion, an increase of 43% from 2005. In addition, the market revenues for the four benchmark technologies – solar photovoltaics, wind power, biofuels and fuel cells – are forecasted to increase to USD 226 billion by 2016."

Figure 4: Projected Revenue Growth in Clean Energy



Source: Carbon Disclosure Project Report 2007: Global FT500

One of the most encouraging findings of CDP5 was that the gap between awareness and actions appears to be tightening significantly among the responding FT500 companies. The purpose of CDP since its inception has been to increase awareness and provide investor-relevant information about climate change to enable informed action. "Unless and until governments agree on material taxation or regulation of greenhouse gas emissions, investors will lack incentive to act, both more systematically and in greater numbers, and the full potential of the project is unlikely to be realized" (CDP5 FT500 Report, p. 11).

4.2 Climate Disclosure Leadership Index

The Climate Disclosure Leadership Index (CDLI) is comprised of 68 FT500 companies that demonstrate distinction in their responses to the CDP survey based on their reporting of greenhouse gas emissions and assessment of a company's climate change strategy (www.cdproject.net/climateleaders2007.asp). The CDLI is designed to highlight the FT500 companies that provided the most comprehensive response to the Carbon Disclosure Project (CDP) questionnaire. The inclusion in the CDLI is based on an absolute score versus a 'best in class' method. The index is organized to insure representation of all industry sectors included in the FT500 that meet the qualifying criteria. Companies with a CDLI score of 85 or greater are included in the index. The CDLI provides an evaluation of which companies on the FT500 have developed the most comprehensive climate change disclosure practices. The assessment was based on an analysis and scoring of the CDP questionnaire responses. Questions were weighted, for both carbon-intensive and low-carbon sectors, in order to create a 100-point scale. As a result of the differing requirements for the carbon-intensive and low-carbon sectors, the CDLI is divided into two groups (See http://www.cdproject.net/download.asp?file=CDP5_Letter_and_Questionnaire.pdf for the CDP5 Questionnaire). It is important to keep in mind the following considerations when utilizing the CDLI:

1) The analysis is based on self-reported, largely non-verified responses.
2) The choice of a score of 85 as the cut-off point for inclusion was arbitrary. As in the creation of any index, efforts to set a standard for inclusion will ultimately excluded qualified firms.
3) Responses to the CDP5 questionnaire (see Appendix 1) do not necessarily provide an accurate reflection of companies' carbon performance nor do they necessarily reflect companies' traditional

carbon disclosure through traditional reporting channels such as annual reports, environmental reports, SEC and other regulatory filings. (CDP5 FT500 Report, 2007)

In addition, to demonstrate the relationship between leadership in carbon disclosure and leadership in carbon performance, Innovest' Carbon Beta™ ratings were introduced to the CDLI. Innovest, through proprietary methodology, calculates the net carbon exposure of a firm, taking into consideration current and potential regulatory frameworks within the different countries in which a corporation operates. The concept also accounts for the different risks, at an industry-specific level, to which companies may have exposure. Moreover, the rating model integrates an analysis of risk management capability and strategies profit opportunities. Finally, the Carbon Beta™ platform includes a proprietary compliance cost model that estimates, as a percentage of earnings before interest, tax, depreciation and amortization (EBITDA), the current or potential exposure a company has when complying with climate change regulation (www.cdproject.net/climateleaders2007.asp). (See Appendix 2 for complete CDLI index and Carbon Beta™)

Historical holding period returns were obtained for 61 of the 68 companies included in the CDLI. The data for the eight companies were unattainable as a result of lack of historical information. All data was then used to create an equally weighted portfolio. Adjustments were made to take into account the end of a companies' historical returns. In illustration, the average return for the equally weighted portfolio on December 2006 was calculated using all 61 companies; whereas, the January 1970 return was calculated using 13 companies. In addition, holding period returns were obtained for 455 of the 500 firms of the FT 500 firms; again, this discrepancy is a result of a lack of historical information. The same method was employed to obtain the equally weighted portfolios for both the FT500 as a whole and the portfolio of those FT500 companies not included in the CDLI Index. (See Appendix 3 for a full list of companies included in the FT500). The data inclusion for the FT500 firms was 455 on December 2006 and 84 on January 1970 and the inclusion for the non-CDLI index was 395 on December 2006 and 71 on January 1970.

5 METHODOLOGY

The first performance measure employed was the Sharpe ratio, which was calculated according to its standard definition:

$$S = \frac{R_P - R_F}{\sigma_P}$$

where R_P is the average return on an equally weighted portfolio, R_F is the average risk free rate of return, and σ_P is the standard deviation of the equally weighted portfolio. The Sharpe ratio measures the risk adjusted return achieved on a particular investment.

Jensen's α (alpha) was the second performance measure employed. Jensen's α is a risk-adjusted performance measure, which represents the return attained above or below the Capital Asset Pricing Model (CAPM) predicted return. Jensen's α is measured using the following regression equation:

$$R_P - R_F = \alpha_p + \beta_P (R_M - R_F) + \varepsilon$$

where $R_P - R_F$ represents the average of the monthly returns on the equally weighted portfolio minus the risk free rate of return for the corresponding month, α_p represents the abnormal return above or below the CAPM predicted return, β_P the beta of the portfolio, and R_M is the return on the market.

The third and final performance measure employed was the Fama and French Three Factor model. The three-factor model is measured using the following regression:

$$R_P - R_F = \alpha_p + \beta_P (R_M - R_F) + s_P SMB + h_P HML + \varepsilon$$

where $R_P - R_F$ represents the average of the monthly returns on the equally weighted portfolio minus the risk free rate of return for the corresponding month, α_p represents the abnormal return above or below the CAPM predicted return, β_P the beta of the portfolio, $R_M - R_F$ is the excess return on the market above the risk free rate, SMB represents small minus big firms, and HML represents high minus low book value stocks.

6 RESULTS

The Sharpe ratio was calculated for equally weighted portfolios of CDLI firms, non-CDLI firms, FT500, as well as the value weighted and equally weighted markets. Table 1 below details the Sharpe ratio values for the periods January 1970 to December 2006 and January 1995 to December 2006, taking into account all firms and only those firms listed on a US exchange.

All portfolios achieved statistically significant abnormal returns for the period of January 1970 to December 2006. This may be a result of the use of the FT500, as the index encompasses the 500 largest companies in the world, or potentially the use of an equally weighted portfolio. A noteworthy explanation of the results attained is achieved when comparison is made between the three equally weighted portfolios and the equally weighted market. As seen from the table below, the arithmetic return and excess return of the equally weighted market is less than that obtained on any one of the three equally weighted portfolios. In addition, the standard deviation of the equally weighted market exceeds that of all three equally weighted portfolios, demonstrating the decreased risk associated with the 500 largest companies in the world. The inclusion of the statistics and Sharpe ratio of the value-weighted index offers further insight. As expected, the arithmetic and excess returns are less than the returns found for the equally weighted index. This is a result of the greater weight placed on small firms within an equally weighted market index. The increased weighting on small firms also contributes to the increased risk and risk-adjusted return of the equally weighted portfolio. Noteworthy however, is the decreased risk and higher risk-adjusted return all portfolios comprised of the FT500 achieved in comparison to the equally weighted and value weighted market index. This result allows one to infer that, despite the literature, a portfolio comprised of the largest companies in the world was able to outperform an equally weighted portfolio index including a large weighting on small stocks, potentially unveiling an exception to the small firm effect.

Examining the January 1995 to December 2006 period provides no change in the relationship between the portfolios. However, it is interesting to note that the increase in arithmetic and excess returns is accompanied by a decrease in the risk parameter. The same result was found comparing the periods for US only holdings. The addition of statistics for the US only companies was conducted to prove the robustness of the tests and account for comparability given the use of US market and risk free data. The results demonstrate little difference from the FT500 portfolios; slightly higher returns during the January 1995 – December 2006 period and slightly higher risk.

Table 1: Descriptive Statistics and Sharpe Ratio

In order to conduct an evaluation of the CLI Index, a comparison of the return on the equally weighted portfolio of stocks and to the return on the value weighted market is conducted. This table demonstrates these excess returns on an arithmetic basis.

Excess returns are measured as:

$$\textbf{Excess} = R_P - R_F$$

The table also calculates the Sharpe Ratio:

$$S = \frac{R_P - R_F}{\sigma_P}$$

where R_P is the average return on the equally weighted portfolio, R_f is the corresponding monthly risk free rate and σ_P is the standard deviation of the equally weighted portfolio.

The CDLI (Climate Disclosure Leadership Index) is an equal weighted portfolio of companies from the FT500 that have received distinction for the disclosure of greenhouse gas emissions and assessment of the company's climate change strategy

The non-CDLI is an equal weighted portfolio of those companies on the FT500 that did not receive distinction

The FT500 (Financial Times 500) is an equal weighted portfolio of the world's 500 largest companies.

The equally weighted market is an equally weighted market index comprised of all companies held on an American exchange

The value weighted market is an index formed based on the market capitalization of all companies held on an American exchange.

Jan 1970 - Dec. 2006	Arithmetic Return	Excess Return	σ_r	Sharpe Ratio
CDLI	0.0139	0.0090	0.0432	0.2091
non-CDLI	0.0157	0.0108	0.0455	0.2382
FT500	0.0154	0.0106	0.0446	0.2370
Equally Weighted Market	0.0124	0.0075	0.0573	0.1315
Value weighted Market	0.0098	0.0049	0.0453	0.1091

Jan 1995 - Dec 2006	Arithmetic Return	Excess Return	σ_r	Sharpe Ratio
CDLI	0.0152	0.0120	0.0395	0.3038
non-CDLI	0.0167	0.0135	0.0390	0.3470
FT500	0.0165	0.0133	0.0388	0.3439
Equally Weighted Market	0.0141	0.0109	0.0549	0.1993
Value weighted Market	0.0104	0.0072	0.0434	0.1650

US Only

Jan 1970 - Dec 2006	Arithmetic Return	Excess Return	σ_r	Sharpe Ratio
CDLI	0.0142	0.0093	0.0439	0.2123
non-CDLI	0.0161	0.0113	0.0469	0.2403
FT500	0.0158	0.0110	0.0459	0.2389
Equally Weighted Market	0.0124	0.0075	0.0573	0.1315
Value weighted Market	0.0098	0.0049	0.0453	0.1091

Jan 1995 - Dec 2006	Arithmetic Return	Excess Return	σ_r	Sharpe Ratio
CDLI	0.0158	0.0126	0.0425	0.2975
non-CDLI	0.0178	0.0146	0.0408	0.3577
FT500	0.0175	0.0143	0.0407	0.3512
Equally Weighted Market	0.0141	0.0109	0.0549	0.1993
Value weighted Market	0.0104	0.0072	0.0434	0.1650

Jensen's alpha was also calculated for the three equally weighted portfolios, periods of January 1970 to December 2006 and January 1995 to December 2006, as well as companies held on US exchanges only. Table 2 below details the results obtained through the time-series regression; all portfolios achieved statistically significant abnormal returns above that predicted by the CAPM.

Again, this may be a result of the use of the large companies included in the FT500.

In addition, all three equally weighted portfolios also obtained betas below the expected beta of the market of one. In order to assist in the explanation of this phenomenon, another regression was calculated regressing the excess return of an equally weighted market portfolio on the excess return of a value weighted portfolio. The results are consistent with the values expected; the α was slightly above 0 at 0.00227 and the beta was also slightly above 1 at 1.0654, representing the effect of the increased weighting on small stocks when utilizing an equally weighted portfolio. This result further deduces that the use of the 500 largest companies unveils a potential discrepancy in the small firm effect.

Evaluating the effect of a shorter time period, results in a higher alpha and lower beta for all companies. The US only regressions for both time periods demonstrate slightly higher alphas and betas for all except the CDLI for the time period of January 1995 to December 2006, where the exact value for alpha was obtained.

Table 2: Jensen's Alpha Statistics

The Jensen's α risk measure is included in the table below. It is calculated using the following equation:

$$R_P - R_F = \alpha_p + \beta_P (R_M - R_F) + \varepsilon$$

where R_P is the average return on the equally weighted portfolio, R_f is the corresponding monthly risk free rate, and $R_M - R_F$ is the market risk premium. These factors represent the basis for the CAPM model and from calculating a time-series regression, alpha (α_p) is the excess return earned above the market risk premium. The regression tests the hypothesis that $\alpha_p = 0$ or that the returns on environmentally friendly investments are not significantly different from the returns on the market.

The CDLI (Climate Disclosure Leadership Index) is an equal weighted portfolio of companies from the FT500 that have received distinction for the disclosure of greenhouse gas emissions and assessment of the company/s climate change strategy

The non-CDLI is an equal weighted portfolio of those companies on the FT500 that did not receive distinction

The FT500 (Financial Times 500) is an equal weighted portfolio of the world's 500 largest companies.

The equally weighted market is an equally weighted market index comprised of all companies held on an American exchange

Jan 1970 - Dec. 2006	α	t(α)	β
CDLI	0.0049	5.0430	0.8466
non-CDLI	0.0062	8.4834	0.9480
FT500	0.0060	8.4814	0.9320
Equally Weighted Market	0.0023	1.5257	1.0654

Jan 1995 - Dec 2006	α	t(α)	β
CDLI	0.0063	3.8958	0.7968
non-CDLI	0.0077	5.4375	0.8136
FT500	0.0075	5.4138	0.8113
Equally Weighted Market	0.0036	1.3089	1.0324

US Only

Jan 1970 - Dec 2006	α	t(α)	β
CDLI	0.0050	5.6854	0.8826
non-CDLI	0.0063	10.2925	0.9961
FT500	0.0061	10.4214	0.9778
Equally Weighted Market	0.0023	1.5257	1.0654

Jan 1995 - Dec 2006	α	t(α)	β
CDLI	0.0063	4.2090	0.8915
non-CDLI	0.0083	6.7056	0.8772
FT500	0.0080	6.6952	0.8793
Equally Weighted Market	0.0036	1.3089	1.0324

The results of the Fama and French Three-Factor Model regression are detailed in Table 3 below and were similar to those obtained through the Jensen's regression. The alphas all achieved statistically significant results above the predicted CAPM value. In addition, the betas calculated were below the expected value of one. These results can be explained when focusing on the Fama and French variables. The s_P variable, for period January 1970 to December 2006, achieved results slightly above 0, ranging from 0.0430 for the CDLI firms to 0.1221 for the non-CDLI firms. This result is consistent with the results obtained by Fama and French (1996) and representing the fact that the FT500 is comprised of the 500 largest companies in the world. The value for s_P is expected to be slightly below 0 for portfolios comprised of the largest stocks and between 1.17 and 1.47 for portfolios comprised of small stocks (Fama and French, 1996). This result also demonstrates that larger firms within the FT500 are held within the CDLI. In addition, the variable h_P is employed to measure the book/price ratio. A higher weighting is indicative of a value portfolio. The values obtained for the h_P variable in the three equally weighted portfolios ranged between 0.0705, for the CDLI firms, to 0.1485, for the non-CDLI firms; representing the large number of growth stocks in the FT500. Again, the inclusion of the regression on an equally weighted market index provides further insight into the results obtained for the three equally weighted portfolios comprised from the FT500. As seen in Table 3 below the regression on the equally weighted market index achieves a significantly larger value for s_P as well as h_P, indicating the larger weights given to small and value stocks.

Once again, testing the robustness of the model through a shorter time period and using companies listed on a US exchange only does not affect the relationship between portfolios. The results change slightly for the period of January 1995 – December 2006 in that the alpha increases slightly, the beta is slightly lower, and the values for s_P and h_P increase, indicating a slightly larger weighting given to smaller firms and value stocks. The US only regressions provide a slightly different result: the value of beta increases, s_P and h_P decrease, indicating a further decrease in weighting toward small and value stocks.

Table 3: Fama-French Parameters

The following table acknowledges the pricing model developed by Fama and French (1992) and their addition of size and book-to-market parameters to the CAPM in order to explain the cross-section of expected returns. The Fama-French model is applied as:

$$R_P - R_F = \alpha_p + \beta_P (R_M - R_F) + s_P SMB + h_P HML + \varepsilon$$

where R_P is the monthly return on an equally weighted portfolio, R_F is the risk free return, $R_M - R_F$ is the market risk premium. The Fama and French variables added to this regression include SMB (small minus big) and HML (high minus low).

The CDLI (Climate Disclosure Leadership Index) is an equal weighted portfolio of companies from the FT500 that have received distinction for the disclosure of greenhouse gas emissions and assessment of the company/s climate change strategy

The non-CDLI is an equal weighted portfolio of those companies on the FT500 that did not receive distinction

The FT500 (Financial Times 500) is an equal weighted portfolio of the world's 500 largest companies.

The equally weighted market is an equally weighted market index comprised of all companies held on an American exchange

Jan 1970 - Dec. 2006	α	t(α)	β	s	h
CDLI	0.0044	4.3902	0.8587	0.0430	0.0705
non-CDLI	0.0051	7.2364	0.9678	0.1221	0.1485
FT500	0.0050	7.2485	0.9508	0.1094	0.1369
Equal weighted market	0.0004	0.3815	1.0228	0.7579	0.3362

Jan 1995 - Dec 2006	α	t(α)	β	s	h
CDLI	0.0049	2.9583	0.8493	0.1021	0.1021
non-CDLI	0.0056	4.0906	0.8944	0.1435	0.2412
FT500	0.0055	4.0874	0.8884	0.1381	0.2305
Equal weighted market	0.0025	1.0375	1.0790	0.5063	0.2753

US Only

Jan 1970 - Dec 2006	α	t(α)	β	s	h
CDLI	0.0045	5.0132	0.8946	0.0334	0.0645
non-CDLI	0.0055	9.0856	1.0124	0.0964	0.1199
FT500	0.0054	9.2094	0.9935	0.0861	0.1110
Equal weighted market	0.0004	0.3815	1.0228	0.7579	0.3362

Jan 1995 - Dec 2006	α	t(α)	β	s	h
CDLI	0.0050	3.2170	0.9432	0.0789	0.1508
non-CDLI	0.0063	5.1973	0.9560	0.0885	0.2188
FT500	0.0061	5.2084	0.9537	0.0871	0.2075
Equal weighted market	0.0025	1.0375	1.0790	0.5063	0.2753

When analyzing the results provided for all three performance measures it is important to remember the restriction with the use of the CDLI. As mentioned in the Data section, the CDLI is comprised of companies that demonstrated distinction in their reporting of greenhouse gas emissions and assessment of a company's climate change strategy. Readers should keep in mind that the analysis is based on self-reported responses and the responses do not necessarily reflect traditional carbon disclosure measures such as annual reports, environmental reports, SEC and other regulatory filings.

7 AREAS FOR FURTHER STUDY WITHIN GREEN/ENVIRONMENTALLY FRIENDLY INVESTING

The results of this study clearly demonstrate the ability to earn abnormal returns through investing in environmentally responsible companies. However, this result becomes clouded when viewed in comparison with the other firms within the FT500. As a result, further research may be warranted with the use of a more diverse set of data, including both large and small cap firms. In addition, when calculating the performance measures for a time period beginning on January 1970, only 84 firms were present at the beginning of the period. Interestingly, all 84 firms present are held on an American exchange, leading to the question of whether the analysis would provide more useful results, both in terms of size diversity and time horizon, if analysis was conducted using American exchanges instead of the FT500 companies. Additionally, given that green investing has just begun its emergence as a distinct, profitable and required investment segment, evaluation of returns in the next few years may provide a very different story. Investors can also expect to see more mainstream companies increasing their green technology as regulations increase. The attitude towards green investment is shifting dramatically; green has become a mainstream business attracting mainstream investments (BusinessWeek, 2006). Therefore, investing in green technology now may give investors the opportunity to obtain a first mover advantage and provide a potential research topic in the future.

8 CONCLUSION

Industry has begun to view the emergence of green investing as a strategic opportunity; green investing in 2006 is being compared to investing in technology in 1976, at a time when computer hardware was just being introduced – the sky is the limit if you bet on the next Intel (BusinessWeek, 2006). Industry is coming together: "We're seeing an alignment of the environmental interests, automakers, the agricultural industry, the security and energy-independence proponents, even the evangelicals," says billionaire venture capitalist L. John Doerr. "When did all those [interests] come together before?" (BusinessWeek, 2006).

The results of this study coincide with the industry expectations, in that they demonstrate the ability of investors to earn abnormal returns through investing in companies that exercise environmental responsibility. However, abnormal returns are also attained for both the non-CDLI and FT500 equally weighted indices. Therefore, evaluating the performance of the 500 largest companies in the world, the abnormal returns achieved exceed those obtained through investing in an equally weighted portfolio of the companies held on the Climate Disclosure Leadership Index.

Consequently, investors are not penalized for investing in environmentally responsibly companies. However, they may not achieve the same degree of abnormal returns available when choosing investments without constraints.

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APPENDICES

APPENDIX 1 – THE CLIMATE LEADERSHIP DISCLOSURE INDEX FIRMS

Sector	Companies	Scope 1 Emmisions reported in CDP5 (Tonnes CO2e)	Scope 2 Emmisions Reported in CDP5 (Tonnes CO2e)	Total Scope 1,2,3 Emissions Reported in CDP5 Tonnes CO2e)	CDLI Score	Innovest Carbon Beta Ranking
Carbon-Intensive Sectors						
Automobiles	DaimlerChrysler	1,910,221	5,349,307	7,259,528	90	BBB
	Nissan Motor	797,000	1,323,000	150,466,000	85	BBB
Diversified Chemicals	Bayer	4,100,000	3,900,000	8,000,000	95	A
	E I du Pont de Nemours (DuPont)	9,000,000	3,100,000	12,100,000	95	AAA
Electric Power Companies – N.	Exelon	12,100,000	900,000	13,000,000	95	AA
	Entergy Corp	28,350,587	773,114	29,123,701	90	A
Electric Utilities - International|	Iberdrola	21,964,784	3,475,029	25,482,138	100	AAA
	Fortum	11,000,000	178,000	13,829,600	95	AAA
	Scottish & Southern Energy	25,880,000	16,687	25,930,396	90	AAA
Gas Utilities	Gaz de France	5,578,946	127,328	6,325,259	95	AA
Household Durables	Matsushita Electric	1,042,121	3,083,766	4,125,887	90	AAA
Integrated Oil & Gas	BP	59,300,000	10,100,000	608,400,000	90	AAA
	Repsol YPF	26,492,885	1,545,939	28,718,824	90	A
	Total	57,800,000		686,800,000	90	AA
	ENI	59,300,000	3,750,000	63,050,000	85	A
	Exxon Mobil	145,500,000	13,300,000	158,800,000	85	BB
	Petrobras	49,860,000	571,960	50,431,960	85	BB
	Suncor Energy	11,030,033	315,741	11,345,774	85	BBB
Metals & Mining	Rio Tinto	15,300,000	13,500,000	654,336,000	100	AAA
	BHP Billiton	23,200,000	28,600,000	51,928,500	90	AA
	Alcan	20,300,000	11,600,000	31,900,000	85	AAA
	Alcoa	33,900,000	26,200,000	60,100,000	85	AAA
Multi-Utilities & Unregulated Power	Suez	83,421,727		83,421,727	90	AA
	Centrica	8,775,035	137,251	8,912,286	85	AAA
	Veolia Environnement	36,482,620	3,025,415	39,674,035	85	A
Oil & Gas Exploration & Production	Woodside Petroleum	8,273,583	14,720	8,288,303	85	BB
Pharmaceuticals	Pfizer	1,223,876	1,184,441	2,639,317	85	A
Steel	Sumitomo Metal Inds.	21,810,000	4,470,000	26,280,000	85	AA

Sector	Companies	Scope 1 Emmisions reported in CDP5 (Tonnes CO2e)	Scope 2 Emmisions Reported in CDP5 (Tonnes CO2e)	Total Scope 1,2,3 Emissions Reported in CDP5 Tonnes CO2e)	CDLI Score	Innovest Carbon Beta Ranking
Low-Carbon Sectors						
Banks – Europe	HBOS	47946	16,767	80,815	95	AAA
	Unicredit Group	119,330	646,836	850,632	85	AAA
Banks – Japan & Australia	Westpac Banking	102,942	5,273	116,102	100	AAA
	ANZ Banking	12,746	171,729	197,069	90	AA
Banks – North America	Royal Bank of Canada	8,554	54,784	95,995	90	AAA
	CIBC	10,312	37,379	70,098	85	AAA
Beverages & Tobacco	British American Tobacco	365,550	376,712	3,109,797	95	A
	Coca Cola	1,962,287	2,905,492	4,922,779	95	AA
	Diageo	505,157	243,521	2,253,678	90	AA
Communications Equipment	Ericsson	8,000	145,000	690,025	90	AAA
Computers & Peripherals	Hewlett-Packard	134,500	1,464,000	2,062,300	100	AAA
	EMC	30,893	256,324	287,217	95	B
	Dell	7,000	377,000	384,000	90	AAA
	IBM	533,064	2,291,297	2,824,361	90	AAA
	Sun Microsystems	13,804	241,128	254,932	85	BBB
Food & Drug Retailing	Tesco	4,106,958	2,346,380	6,487,266	90	AAA
Food Products	Unilever	1,581,565	1,711,317	173,792,882	90	AAA
	Cadbury Schweppes	458,276	551,153	5,725,031	85	AAA
Global Banks	Citigroup	48,507	1,338,905	22,882,483	95	AA
	Royal Bank of Scotland	96,799	389,242	556,041	95	BBB
	ABN Amro Holding	0	336,514	414,720	90	AAA
	Standard Chartered	1,397	128,479	139,927	90	AA
	UBS	31,519	230,015	293,158	90	AAA
	Barclays	36,737	370,004	473.201	85	AA
	HSBC	*	634,000	813,000	85	AAA
	ING	113,708	227,555	341,263	85	AAA
	Societe Generale	27,829	128,479	223,948	85	A
Health Care Equipment & Supplies	Baxter International	245,000	486,000	884,700	90	AAA
Life & Health Insurance	Legal & General Group	0	10,359	15,344	90	BBB
Multi-Line Insurance & Brokerage	Allianz	55,854	418,588	630,457	90	AA
	Aviva	30,437	39,439	126,269	85	AAA
Reinsurance	Swiss Re	8,158	59,157	95,895	85	AAA
Integrated Telecommunication Services	Deutsche Telekom	353,955	2,828,777	3,182,732	95	AAA
	BCE	114,463	187,615	318,179	90	AA
	BT Group	253,547	467,381	779,617	85	A
	Telstra	149,075	1,031,576	1,360,574	85	B
Multiline Retail	Marks & Spencer	66,000	212,000	5,584,000	90	AAA
	Wal Mart Stores	4,306,369	14,413,425	20,388,574	85	A
Real Estate Management & Development	Land Securities	76,347	162,741	479,023	85	AAA
Software & IT Services	Microsoft	14,730	137,870	416,170	90	BBB

APPENDIX 2 – FT500 COMPANIES

FT Global 500 2007

Market value and share price at 30 March 2007

Global rank 2007	Global rank 2006	Company	Country	Market value $m	Sector	Turnover $m	Price $	Net income $m	PE ratio	Dividend Yield	Year End
1	1	Exxon Mobil	US	429,566.7	Oil & Gas Producers	365,467.0	75.5	39,500.0	11.3	1.7	31/12/2006
2	2	General Electric	US	363,611.3	General Industrials	160,657.0	35.4	20,829.0	17.7	2.9	31/12/2006
3	3	Microsoft	US	272,911.7	Software & Computer Services	44,282.0	27.9	12,599.0	23.0	1.3	30/06/2006
4	4	Citigroup	US	252,857.3	Banks		51.3	21,538.0	11.7	3.8	31/12/2006
5	37	AT&T	US	246,206.3	Fixed Line Telecommunications	63,055.0	39.4	7,356.0	20.9	3.4	31/12/2006
6	10	Gazprom	Russia	245,911.4	Oil & Gas Producers	53,197.2	10.4	11,962.7	18.6	0.6	31/12/2005
7	9	Toyota Motor	Japan	230,831.6	Automobiles & Parts	178,530.8	63.9	11,645.1	17.9	1.2	31/03/2006
8	6	Bank of America	US	228,177.3	Banks		51.0	21,133.0	10.9	4.2	31/12/2006
9		Indl & Coml Bk of China	China	224,787.6	Banks		0.6	4,851.9			31/12/2005
10	7	Royal Dutch Shell	UK	214,018.4	Oil & Gas Producers	318,845.0	33.2	25,442.0	6.4	4.0	31/12/2006
11	5	BP	UK	208,843.5	Oil & Gas Producers	265,906.0	10.8	22,000.0	9.9	4.0	31/12/2006
12	11	HSBC	UK	202,146.3	Banks		17.5	15,789.0	12.5	5.2	31/12/2006
13	12	Procter & Gamble	US	199,293.8	Household Goods	68,222.0	63.2	8,684.0	22.6	1.8	30/06/2006
14	8	Wal-Mart Stores	US	193,642.8	General Retailers	344,992.0	47.0	11,284.0	17.3		31/01/2007
15	20	Altria	US	184,277.3	Tobacco	70,324.0	65.9	12,022.0	11.4	5.0	31/12/2006
16	38	China Mobile Hong Kong	Hong Kong	181,798.6	Mobile Telecommunications	38,158.8	9.1	8,530.2	21.2	2.2	31/12/2006
17	13	Pfizer	US	179,015.4	Pharmaceuticals & Biotechnology	48,371.0	25.3	19,337.0	9.5	3.8	31/12/2006
18	16	American International Group	US	174,878.3	Nonlife Insurance		67.2	14,048.0	12.5	1.0	31/12/2006
19	14	Johnson & Johnson	US	174,397.2	Pharmaceuticals & Biotechnology	53,324.0	60.3	11,053.0	16.0	2.4	31/12/2006
20	23	Berkshire Hathaway	US	168,279.8	Nonlife Insurance		108,990.0	11,015.0	15.3		31/12/2006
21	22	JP Morgan Chase	US	168,040.6	Banks		48.4	14,444.0	12.3	2.8	31/12/2006
22	17	Total	France	167,064.9	Oil & Gas Producers	176,936.7	69.8	15,692.3	10.2		31/12/2006
23		Bank of China	China	165,510.5	Banks		0.5	5,533.4	21.4	1.0	31/12/2006
24	27	Chevron	US	159,589.4	Oil & Gas Producers	204,892.0	74.0	17,138.0	9.4	2.7	31/12/2006
25	19	GlaxoSmithKline	UK	156,975.1	Pharmaceuticals & Biotechnology	45,581.4	27.4	10,576.5	14.6	3.8	31/12/2006

26	30	Nestle	Switzerland	155,345.1	Food Producers	80,888.1	387.7	7,555.8	19.9	2.2	31/12/2006
27	25	Roche	Switzerland	154,620.0	Pharmaceuticals & Biotechnology	34,538.8	176.1	6,473.8	23.2	1.6	31/12/2006
28	24	Cisco Systems	US	154,202.0	Technology Hardware & Equipment	28,484.0	25.5	5,580.0	28.1		29/07/2006
29	40	EDF	France	152,231.4	Electricity	78,584.0	83.5	7,474.1	20.4		31/12/2006
30	21	Novartis	Switzerland	149,691.9	Pharmaceuticals & Biotechnology	36,031.0	57.1	7,175.0	19.2	2.4	31/12/2006
31	26	IBM	US	141,911.1	Software & Computer Services	91,424.0	94.3	9,492.0	15.2	1.2	31/12/2006
32	29	Vodafone	UK	140,429.3	Mobile Telecommunications	57,602.3	2.7	-43,012.4	-3.9	5.0	31/03/2006
33	32	BHP Billiton	Australia/UK	137,202.1	Mining	32,153.0	24.1	10,450.0	13.9	1.5	30/06/2006
34	34	ENI	Italy	129,882.4	Oil & Gas Producers	114,818.4	32.4	12,290.6	10.6		31/12/2006
35		China Construction Bank	China	128,529.4	Banks		0.6	6,085.5	18.4	0.7	31/12/2005
36	31	UBS	Switzerland	124,489.6	Banks		59.1	10,154.4	12.4		31/12/2006
37	39	Royal Bank of Scotland	UK	122,534.4	Banks		13.0	12,546.9	3.4	15.2	31/12/2006
38	18	Mitsubishi UFJ Financial	Japan	122,185.8	Banks		11,264.0	6,540.7	14.2	0.5	31/03/2006
39	28	Sanofi-Aventis	France	117,807.1	Pharmaceuticals & Biotechnology	37,834.5	86.7	5,341.9	21.9		31/12/2006
40	36	Wells Fargo	US	116,325.8	Banks		34.4	8,482.0	13.7	3.1	31/12/2006
41		China Life Insurance	China	116,260.1	Life Insurance		2.9	1,202.3	63.5	0.2	31/12/2005
42	53	ConocoPhillips	US	112,374.2	Oil & Gas Producers	183,650.0	68.4	15,550.0	7.0	2.1	31/12/2006
43	49	Santander Central Hispano	Spain	111,228.9	Banks		17.8	8,776.9			31/12/2006
44	42	Coca-Cola	US	111,133.8	Beverages	24,088.0	48.0	5,080.0	22.2	2.6	31/12/2006
45	41	Verizon Communications	US	110,343.0	Fixed Line Telecommunications	88,144.0	37.9	6,197.0	17.8	4.3	31/12/2006
46	33	Intel Corporation	US	110,322.6	Technology Hardware & Equipment	35,382.0	19.1	5,044.0	22.0	2.1	30/12/2006
47	64	Telefonica	Spain	108,088.9	Fixed Line Telecommunications	70,541.9	22.0	8,311.5	12.6		31/12/2006
48	45	Hewlett-Packard	US	107,432.5	Technology Hardware & Equipment	91,658.0	40.1	6,198.0	18.0	0.8	31/10/2006
49	52	Wachovia	US	106,184.9	Banks		55.1	7,791.0	11.7	3.9	31/12/2006
50	48	Petrobras	Brazil	105,876.9	Oil & Gas Producers	76,852.2	25.3	12,588.1	8.8	3.5	31/12/2006
51	60	Google	US	105,421.1	Software & Computer Services	10,604.9	458.2	3,077.4	44.9		31/12/2006
52	44	Pepsico	US	104,096.2	Beverages	35,137.0	63.6	5,642.0	18.6	1.8	30/12/2006
53		Sinopec	China	104,014.0	Oil & Gas Producers	103,241.6	0.8	5,286.7	13.9	2.0	31/12/2005
54	79	Unilever	Netherlands/	99,543.3	Food Producers	52,861.4	29.0	6,327.3	13.2		31/12/2006
55	70	Unicredito Italiano	Italy	99,003.5	Banks		9.5	3,294.0	19.4	3.1	31/12/2005
56	35	Samsung Electronics	South Korea	98,908.4	Technology Hardware & Equipment	62,032.6	598.6	8,337.2	10.8	0.9	31/12/2006
57	63	BNP Paribas	France	97,097.6	Banks		104.1	9,745.0			31/12/2006
58	161	Intesa SanPaolo	Italy	96,621.6	Banks		7.6	4,033.7	12.1	3.9	31/12/2005
59	65	Merck	US	95,693.5	Pharmaceuticals & Biotechnology	22,636.0	44.2	4,433.8	21.7	3.4	31/12/2006
60	58	Siemens	Germany	95,044.0	Electronic & Electrical Equipment	116,445.2	106.5	4,044.4	23.0	1.8	30/09/2006
61		Arcelor Mittal	France	94,062.2	Industrial Metals	88,576.0	52.9	7,973.0	9.2		31/12/2006

62	46	Nokia	Finland	93,923.8	Technology Hardware & Equipment	54,833.6	22.9	5,741.9	16.2	2.5	31/12/2006
63	54	ING	Netherlands	93,405.9	Life Insurance		42.1	10,257.1	8.8	4.2	31/12/2006
64	66	E.ON	Germany	93,240.6	Gas, Water & Multiutilities	85,604.7	135.5	6,743.4	13.6	3.3	31/12/2006
65	77	Oracle Corporation	US	93,203.7	Software & Computer Services	14,380.0	18.1	3,381.0	27.9		31/05/2006
66	67	Barclays	UK	92,492.1	Banks		14.1	8,971.0	10.0	4.8	31/12/2006
67	85	Allianz	Germany	88,989.7	Nonlife Insurance		204.6	5,840.6	13.7	1.3	31/12/2005
68		Rosneft	Russia	88,494.7	Oil & Gas Producers	23,951.0	8.4	4,159.0	18.2	0.5	31/12/2005
69	87	AXA	France	88,427.1	Nonlife Insurance		42.3	6,780.7	12.1		31/12/2006
70	78	BBVA	Spain	86,905.4	Banks		24.5	6,315.3			31/12/2006
71	84	Credit Suisse	Switzerland	86,706.6	Banks		71.4	9,305.7	8.4		31/12/2006
72	51	Genentech	US	86,487.6	Pharmaceuticals & Biotechnology	9,284.0	82.1	2,113.0	40.9		31/12/2006
73	61	Rio Tinto	Australia/UK	86,345.6	Mining	22,465.0	56.9	7,438.0	10.2	2.0	31/12/2006
74	117	Vale do Rio Doce	Brazil	86,144.4	Mining	21,996.6	37.3	6,523.1	13.8	2.3	31/12/2006
75	88	Abbott Laboratories	US	86,103.4	Pharmaceuticals & Biotechnology	22,476.3	55.8	1,716.8	49.8	2.1	31/12/2006
76	83	Goldman Sachs	US	84,999.3	General Financial		206.6	9,537.0	9.9	0.6	24/11/2006
77	80	NTT DoCoMo	Japan	84,707.4	Mobile Telecommunications	40,445.8	1,946.3	5,180.9	16.1	0.9	31/03/2006
78	86	Morgan Stanley	US	83,991.0	General Financial		78.8	7,472.0	10.7	1.4	30/11/2006
79	106	DaimlerChrysler	Germany	83,666.3	Automobiles & Parts	202,139.3	81.7	4,303.1	19.4	2.4	31/12/2006
80	109	ABN Amro	Netherlands	83,073.5	Banks		42.9	6,287.3			31/12/2006
81	69	Nippon Telegraph & Telephone	Japan	83,054.3	Fixed Line Telecommunications	91,155.2	5,276.3	4,232.1	17.8	1.0	31/03/2006
82	71	Schlumberger	US	81,437.3	Oil Equipment & Services	19,230.0	69.1	3,710.0	22.0	0.7	31/12/2006
83	62	AstraZeneca	UK	81,084.4	Pharmaceuticals & Biotechnology	26,475.0	53.6	6,043.0	13.9	3.6	31/12/2006
84	110	Comcast	US	80,801.4	Media	24,966.0	26.0	2,533.0	22.0		31/12/2006
85	124	Apple	US	80,076.8	Technology Hardware & Equipment	19,315.0	92.9	1,989.0	39.4		30/09/2006
86	90	Societe Generale	France	79,463.3	Banks		172.2	7,016.7	10.5	4.0	31/12/2006
87	165	EnCana	Canada	79,390.3	Oil & Gas Producers	16,399.0	50.6	5,652.0	8.1	0.7	31/12/2006
88		Anglo American	UK	77,953.3	Mining	33,072.0	52.5	6,186.0	12.5	4.4	31/12/2006
89	15	Saudi Basic Industries	Saudi Arabia	77,328.2	General Industrials	23,016.5	30.9	5,410.7	14.3	19.8	31/12/2006
90	92	HBOS	UK	77,166.8	Banks		20.5	7,612.9	10.4	3.0	31/12/2006
91	128	United Parcel Service	US	76,714.8	Industrial Transportation	47,547.0	70.1	4,202.0	18.1	2.2	31/12/2006
92	43	Mizuho Financial	Japan	76,315.8	Banks		6,428.1	5,515.4	13.7	0.5	31/03/2006
93	73	Time Warner	US	75,242.9	Media	44,224.0	19.7	6,552.0	12.6	1.1	31/12/2006
94	120	News Corporation	US	74,635.4	Media	25,327.0	23.1	2,314.0	47.2	1.1	30/06/2006
95	76	Lukoil	Russia	73,488.6	Oil & Gas Producers	55,774.0	86.4	6,443.0	10.9	1.1	31/12/2005
96	75	Deutsche Telekom	Germany	72,844.9	Fixed Line Telecommunications	81,804.3	16.5	4,271.1	16.7	5.8	31/12/2006
97	50	Home Depot	US	72,360.6	General Retailers	90,837.0	36.7	5,761.0	13.1		28/01/2007

98	72	Merrill Lynch	US	72,008.4	General Financial		81.7	7,499.0	9.7	1.2	29/12/2006
99	68	UnitedHealth Group	US	71,738.3	Healthcare Equipment & Services	71,542.0	53.0	4,159.0	17.1	0.1	31/12/2006
100	102	Canon	Japan	71,485.9	Technology Hardware & Equipment	35,276.7	53.6	3,864.2	18.5	1.6	31/12/2006
101	57	Qualcomm	US	70,667.0	Technology Hardware & Equipment	7,526.0	42.7	2,470.0	28.6	1.0	24/09/2006
102	121	Walt Disney	US	70,527.3	Media	34,285.0	34.4	3,374.0	20.5	0.8	30/09/2006
103	232	Sberbank of Russia	Russia	70,479.9	Banks		3,565.0	2,530.3	26.8	0.2	31/12/2005
104	96	Boeing	US	70,173.5	Aerospace & Defense	61,530.0	88.9	2,215.0	30.9	1.4	31/12/2006
105	59	Sumitomo Mitsui Financial	Japan	70,082.6	Banks		9,062.0	5,828.9	11.3	0.3	31/03/2006
106	101	Deutsche Bank	Germany	69,931.9	Banks		134.2	7,982.1	7.6		31/12/2006
107	107	L'Oreal	France	69,582.6	Personal Goods	21,055.5	108.8	2,629.6	27.4		31/12/2006
108	146	Tesco	UK	69,111.4	Food & Drug Retailers	77,432.4	8.7	3,061.3	22.1	2.2	25/02/2006
109	104	France Telecom	France	68,566.3	Fixed Line Telecommunications	68,943.0	26.3	5,519.2			31/12/2006
110	89	Wyeth	US	67,392.3	Pharmaceuticals & Biotechnology	20,350.7	50.0	4,196.7	16.0	2.0	31/12/2006
111	91	American Express	US	67,247.9	General Financial		56.4	3,707.0	18.4	1.0	31/12/2006
112	133	Suez	France	67,140.9	Gas, Water & Multiutilities	59,058.0	52.6	4,808.5	13.9		31/12/2006
113	126	ENEL	Italy	65,906.9	Electricity	51,338.6	10.7	4,048.0	16.0	6.1	31/12/2006
114	116	Royal Bank of Canada	Canada	65,329.0	Banks		49.8	4,083.8	15.8	2.5	31/10/2006
115	56	Amgen	US	65,237.6	Pharmaceuticals & Biotechnology	14,268.0	55.9	2,950.0	22.3		31/12/2006
116	100	United Technologies	US	64,726.1	Aerospace & Defense	47,118.0	65.0	3,732.0	17.1	1.6	31/12/2006
117	131	British American Tobacco	UK	64,027.2	Tobacco	19,158.9	31.2	3,721.1	17.2	3.9	31/12/2006
118	105	Credit Agricole	France	63,999.1	Banks		38.9	6,560.7		3.9	31/12/2006
119	112	Honda	Japan	63,867.4	Automobiles & Parts	84,084.7	34.8	5,066.8	6.3	2.4	31/03/2006
120	119	Tyco International	US	62,381.5	General Industrials	40,960.0	31.6	3,713.0	16.0	1.3	29/09/2006
121	123	Lloyds TSB	UK	61,939.4	Banks		11.0	5,501.2	11.2	6.8	31/12/2006
122	113	U. S. Bancorp	US	61,545.8	Banks		35.0	4,751.0	13.2	4.0	31/12/2006
123	95	Eli Lilly	US	60,908.9	Pharmaceuticals & Biotechnology	15,691.0	53.7	2,662.7	21.9	3.0	31/12/2006
124	147	Diageo	UK	59,868.3	Beverages	19,045.1	20.2	3,744.6	15.3	3.4	30/06/2006
125	93	Statoil	Norway	59,365.9	Oil & Gas Producers	69,553.8	27.1	6,670.0	8.8	5.5	31/12/2006
126	142	Fortis	Belgium/Neth	59,326.9	Banks		45.5	5,801.9	10.1		31/12/2006
127	99	Ericsson	Sweden	59,120.4	Technology Hardware & Equipment	25,447.4	3.7	3,757.5	15.5	2.0	31/12/2006
128	137	RWE	Germany	59,026.1	Gas, Water & Multiutilities	57,167.2	105.4	5,129.9	15.6	4.4	31/12/2006
129	135	Fannie Mae	US	58,724.0	General Financial		54.6	4,967.0	11.0	2.9	31/12/2004
130	130	Takeda Pharmaceutical	Japan	58,217.8	Pharmaceuticals & Biotechnology	10,287.5	65.5	2,658.4	21.8	1.4	31/03/2006
131	234	Unified Energy System	Russia	58,101.5	Electricity	29,400.9	1.4	704.2	79.6	0.2	31/12/2005
132	199	Endesa	Spain	57,051.6	Electricity	26,185.3	53.9	3,959.1	14.4		31/12/2006
133	155	America Movil	Mexico	56,501.8	Mobile Telecommunications	21,183.6	2.4	3,926.2	21.9		31/12/2006

134	98	Medtronic	US	56,495.7	Healthcare Equipment & Services	11,292.0	49.1	2,546.7	23.3	0.8	28/04/2006
135	82	SAP	Germany	56,363.9	Software & Computer Services	12,537.3	44.4	2,488.3	21.9		31/12/2006
136	152	BASF	Germany	56,149.1	Chemicals	70,153.4	112.2	4,287.4	13.2	3.6	31/12/2006
137	111	3M	US	56,090.9	General Industrials	22,923.0	76.4	3,851.0	14.8	2.4	31/12/2006
138	138	Bristol-Myers-Squibb	US	56,065.8	Pharmaceuticals & Biotechnology	17,914.0	27.8	1,585.0	34.3	4.0	31/12/2006
139	154	National Australia Bank	Australia	54,874.1	Banks		32.6	3,547.5	15.4	4.1	30/09/2006
140	153	McDonald's	US	54,216.7	Travel & Leisure	21,586.4	45.1	3,544.2	15.7	2.2	31/12/2006
141	140	Generali	Italy	54,179.3	Nonlife Insurance		42.4	2,558.4	21.0	1.7	31/12/2005
142	141	LVMH	France	54,164.2	Personal Goods	20,410.1	110.6	2,505.6	20.8	1.7	31/12/2006
143	134	Manulife Financial	Canada	54,116.0	Life Insurance		34.4	3,429.1	15.7	1.8	31/12/2006
144	74	Sprint Nextel	US	53,518.1	Mobile Telecommunications	41,028.0	19.0	1,329.0	42.1	0.5	31/12/2006
145	136	Taiwan Semiconductor Manufact	Taiwan	53,001.0	Technology Hardware & Equipment	9,598.1	2.1	3,840.7	13.8		31/12/2006
146	114	Telecom Italia	Italy	52,876.9	Fixed Line Telecommunications	41,704.3	2.8	4,019.1	14.2		31/12/2006
147	261	Volkswagen	Germany	52,773.4	Automobiles & Parts	139,847.6	149.8	3,665.7	15.9	1.1	31/12/2006
148	81	Dell	US	52,724.1	Technology Hardware & Equipment	55,908.0	23.2	3,572.0	15.6		03/02/2006
149	295	CVS/Caremark	US	52,584.5	Food & Drug Retailers	43,813.8	34.1	1,368.9	20.7	0.5	30/12/2006
150	159	Commonwealth Bank of Australi	Australia	52,384.0	Banks		40.6	3,172.7	16.3	4.5	30/06/2006
151	178	Carrefour	France	51,374.3	Food & Drug Retailers	103,878.6	72.9	3,025.6	20.7		31/12/2006
152	94	Surgutneftegas	Russia	51,324.8	Oil & Gas Producers	16,485.1	1.3	4,401.7	10.2		31/12/2005
153	145	Target	US	50,879.4	General Retailers	59,490.0	59.3	2,787.0	18.3	0.8	03/02/2007
154	143	Sony	Japan	50,867.9	Leisure Goods	63,440.7	50.7	1,049.1	48.8	0.4	31/03/2006
155	233	Bayer	Germany	50,787.7	Chemicals	38,611.9	63.7	2,340.2	23.9	2.1	31/12/2006
156	373	Xstrata	UK	49,692.6	Mining	17,632.0	51.2	1,947.0	20.3	0.9	31/12/2006
157	129	Wellpoint	US	49,667.9	Healthcare Equipment & Services	56,074.6	81.1	3,094.9	16.5		31/12/2006
158	118	Matsushita Electric Industrial	Japan	49,341.5	Leisure Goods	75,482.2	20.1	1,310.4	34.1	0.7	31/03/2006
159	215	BT Group	UK	49,268.0	Fixed Line Telecommunications	38,298.2	6.0	3,036.1	16.5	4.4	31/03/2006
160	190	Japan Tobacco	Japan	49,036.6	Tobacco	39,357.7	4,903.7	1,710.4	27.5	0.6	31/03/2006
161	149	BG	UK	48,876.3	Oil & Gas Producers	14,005.1	14.4	3,681.8	13.5	1.1	31/12/2006
162	122	Nissan Motor	Japan	48,356.2	Automobiles & Parts	80,013.7	10.7	4,396.5	9.9	2.3	31/03/2006
163	132	Lowe's Cos	US	47,952.5	General Retailers	46,927.0	31.5	3,105.0	15.6	0.6	02/02/2007
164	269	Nippon Steel	Japan	47,733.9	Industrial Metals	33,151.0	7.0	2,918.6	16.2	1.1	31/03/2006
165	182	Metlife	US	47,531.1	Life Insurance		63.2	6,293.0	7.8	0.9	31/12/2006
166		Bank of Communications	China	47,068.7	Banks		1.0	1,585.7	29.5	1.3	31/12/2006
167	167	Vivendi Universal	France	47,014.5	Media	26,728.1	40.5	5,377.9	8.7	4.0	31/12/2006
168	166	Bank of Nova Scotia	Canada	46,322.8	Banks		46.1	3,091.3	14.9	2.8	31/10/2006
169	201	Tepco	Japan	46,174.5	Electricity	44,601.0	34.1	2,634.1	17.5	1.5	31/03/2006

170	168	Exelon	US	46,046.5	Electricity	15,655.0	68.7	1,592.0	29.0	2.3	31/12/2006
171	151	Walgreen	US	45,928.0	Food & Drug Retailers	47,409.0	45.9	1,750.6	26.5	0.6	31/08/2006
172	173	E.I. du Pont de Nemours	US	45,875.5	Chemicals	27,421.0	49.4	3,148.0	14.5	3.0	31/12/2006
173	186	Gaz de France	France	45,498.9	Gas, Water & Multiutilities	36,859.8	46.2	3,064.0	14.8	3.2	31/12/2006
174	115	eBay	US	45,381.5	General Retailers	5,969.7	33.2	1,125.6	41.4		31/12/2006
175	218	Mitsubishi Estate	Japan	45,313.1	Real Estate		32.8	473.8		0.3	31/03/2006
176	193	ANZ Banking	Australia	45,078.5	Banks		24.0	2,978.9	14.9	4.2	30/09/2006
177	168	KBC Groupe	Belgium	45,011.8	Banks		124.0	4,573.8	9.6		31/12/2006
178		A P Moller - Maersk	Denmark	44,882.0	Industrial Transportation	37,356.8	10,397.3	3,596.0	11.9	0.9	31/12/2005
179	163	Toronto Dominion Bank	Canada	44,585.7	Banks		60.2	3,975.8	10.9	2.6	31/10/2006
180	169	Dow Chemical	US	43,987.4	Chemicals	49,124.0	45.9	3,724.0	11.9	3.3	31/12/2006
181	243	InBev	Belgium	43,986.1	Beverages	17,745.8	72.0	1,881.5	31.0		31/12/2006
182	284	Reliance Industries	India	43,869.9	Chemicals	18,980.1	31.5	2,148.5	20.4	0.7	31/03/2006
183	156	Freddie Mac	US	43,494.5	General Financial		59.5	2,211.0	20.9		31/12/2006
184	148	Philips Electronics	Netherlands	43,493.8	Leisure Goods	35,971.7	38.1	7,178.1	6.2	2.1	31/12/2006
185	127	Texas Instruments	US	43,447.1	Technology Hardware & Equipment	14,255.0	30.1	4,341.0	17.4	0.4	31/12/2006
186	139	Caterpillar	US	43,288.5	Industrial Engineering	41,517.0	67.0	3,537.0	12.5	1.7	31/12/2006
187	158	Oil & Natural Gas	India	43,212.9	Oil & Gas Producers	16,158.2	20.2	3,520.0	8.2	5.1	31/03/2006
188	185	Norsk Hydro	Norway	42,741.1	Oil & Gas Producers	32,226.5	33.0	2,856.0	14.4	2.5	31/12/2006
189	235	Iberdrola	Spain	42,472.0	Electricity	14,691.4	47.1	2,214.0			31/12/2006
190		Danone	France	42,469.2	Food Producers	18,765.9	162.8	1,804.2	23.5		31/12/2006
191	144	Yahoo!	US	42,446.1	Software & Computer Services	6,425.7	31.3	751.4	57.9		31/12/2006
192	176	Prudential Financial	US	42,331.9	Life Insurance		90.3	3,428.0	13.6	1.1	31/12/2006
193	259	National Grid Transco	UK	42,248.8	Gas, Water & Multiutilities	18,042.2	15.6	7,552.1	5.9	3.6	31/03/2006
194	108	Motorola	US	42,238.5	Technology Hardware & Equipment	42,879.0	17.7	3,661.0	11.8	1.0	31/12/2006
195	264	Hennes & Mauritz	Sweden	41,845.8	General Retailers	9,790.6	57.3	1,545.5	30.7	2.9	30/11/2006
196		Ping An Insurance	China	41,673.2	Life Insurance		4.9	546.0	55.8	0.5	31/12/2005
197	200	Zurich Financial Services	Switzerland	41,550.2	Nonlife Insurance		287.3	4,527.0			31/12/2006
198	164	Occidental Petroleum	US	41,326.7	Oil & Gas Producers	17,661.0	49.3	4,182.0	10.1	1.6	31/12/2006
199	203	Nordea Bank	Sweden	41,225.5	Banks		15.9	4,193.8	9.8	4.1	31/12/2006
200	355	Nintendo	Japan	41,093.9	Leisure Goods	4,321.8	290.1	834.9	44.8	1.1	31/03/2006
201	192	Repsol-YPF	Spain	41,019.4	Oil & Gas Producers	73,447.5	33.6	4,165.8	9.8		31/12/2006
202	170	Hutchison Whampoa	Hong Kong	41,001.1	General Industrials	23,524.1	9.6	2,563.4	16.0	2.3	31/12/2006
203	208	Lockheed Martin	US	40,989.2	Aerospace & Defense	39,620.0	97.0	2,529.0	16.4	1.3	31/12/2006
204	150	Nomura Holdings	Japan	40,875.1	General Financial		20.8	2,582.7	15.4	2.0	31/03/2006
205	205	Bradesco	Brazil	40,854.0	Banks		20.5	2,454.6			31/12/2006

206	179	Valero Energy	US	40,016.8	Oil & Gas Producers	91,833.0	64.5	5,463.0	7.2	0.5	31/12/2006
207	211	Standard Chartered	UK	39,761.3	Banks		28.7	2,278.0	17.0	2.7	31/12/2006
208	222	Banco Itau	Brazil	39,722.0	Banks		35.1	2,092.7			31/12/2006
209	214	Alcon	US	39,701.8	Healthcare Equipment & Services	4,896.6	131.8	1,348.1	29.8	1.0	31/12/2006
210	162	Carnival	USA/UK	39,433.8	Travel & Leisure	11,839.0	46.9	2,279.0	16.4	2.2	30/11/2006
211	220	Westpac Banking	Australia	39,393.3	Banks		21.3	2,480.5	15.8	4.4	30/09/2006
212	174	Mitsubishi Corp	Japan	39,131.7	Support Services	40,964.1	23.2	2,970.7	12.7	1.3	31/03/2006
213	305	Inditex	Spain	38,608.6	General Retailers	10,929.1	61.9	1,336.1	28.9		31/01/2007
214	210	Munich Re	Germany	38,583.2	Nonlife Insurance		168.5	3,561.7	10.8	2.5	31/12/2005
215	198	Telstra	Australia	38,568.0	Fixed Line Telecommunications	18,375.7	3.8	2,569.4	18.1	7.3	30/06/2006
216	180	BMW	Germany	38,564.3	Automobiles & Parts	65,338.7	56.8	3,824.4	10.1	1.6	31/12/2006
217	248	TeliaSonera	Sweden	38,561.2	Mobile Telecommunications	13,034.1	8.6	2,431.5	15.9	10.5	31/12/2006
218	207	Anheuser-Busch	US	38,495.2	Beverages	15,717.1	50.5	1,965.2	19.6	2.2	31/12/2006
219	171	Lehman Brothers	US	38,066.3	General Financial		70.1	4,007.0	9.7	0.7	30/11/2006
220	217	CNOOC	Hong Kong	37,982.0	Oil & Gas Producers	11,491.5	0.9	3,995.6	9.3	3.8	31/12/2006
221	246	Schering Plough	US	37,952.4	Pharmaceuticals & Biotechnology	10,594.0	25.5	1,143.0	35.9	0.9	31/12/2006
222	206	Aviva	UK	37,756.8	Life Insurance		14.7	4,347.2	8.5	4.5	31/12/2006
223	387	Anglo Platinum	South Africa	37,450.2	Mining	5,362.2	157.8	1,632.0	21.6	4.6	31/12/2006
224	272	ABB	Switzerland	37,176.5	Electronic & Electrical Equipment	24,412.0	17.0	1,390.0	26.2	1.4	31/12/2006
225	202	Allstate	US	37,161.4	Nonlife Insurance		60.1	4,993.0	7.6	2.3	31/12/2006
226	279	Reckitt Benckiser	UK	37,157.0	Household Goods	9,659.9	51.9	1,322.8	28.3	1.9	31/12/2006
227	157	Washington Mutual	US	37,136.6	Banks		40.4	3,558.0	12.2	5.1	31/12/2006
228	187	Honeywell International	US	36,844.7	General Industrials	31,367.0	46.1	2,083.0	18.2	2.0	31/12/2006
229		Vinci	France	36,756.9	Construction & Materials	34,182.2	154.4	1,693.5			31/12/2006
230	326	POSCO	South Korea	36,613.6	Industrial Metals	27,666.4	419.9	4,219.7	7.9	2.0	31/12/2005
231	321	Wal-Mart de Mexico	Mexico	36,568.4	General Retailers	17,929.7	4.3	1,123.7	32.9	1.1	31/12/2006
232	238	St. Paul Travelers	US	36,312.3	Nonlife Insurance		51.8	4,208.0	8.5	2.0	31/12/2006
233	226	Deutsche Post	Germany	36,082.7	Industrial Transportation	80,734.9	30.2	2,554.9	14.1	3.3	31/12/2006
234		Volvo	Sweden	35,926.4	Industrial Engineering	37,049.0	16.1	2,328.6	2.8	22.2	31/12/2006
235	304	Saint-Gobain	France	35,894.0	Construction & Materials	55,467.0	97.4	2,182.9	16.5	2.3	31/12/2006
236	311	KDDI	Japan	35,743.2	Mobile Telecommunications	25,975.8	7,969.5	1,617.3	20.8	0.9	31/03/2006
237	160	Corning	US	35,694.9	Technology Hardware & Equipment	5,174.0	22.7	1,855.0	19.0		31/12/2006
238	310	JFE Holdings	Japan	35,526.6	Industrial Metals	26,294.5	59.0	2,766.6	12.5	1.4	31/03/2006
239	376	MMC Norilsk Nickel	Russia	35,361.4	Industrial Metals	7,169.0	185.5	2,355.0	15.9	0.8	31/12/2005
240	184	Imperial Oil	Canada	35,357.3	Oil & Gas Producers	21,166.1	37.1	2,629.2	13.8	0.7	31/12/2006
241	239	Gilead Sciences	US	35,245.7	Pharmaceuticals & Biotechnology	3,026.1	76.7	-1,190.0	-29.6		31/12/2006

242	189	Suncor Energy	Canada	35,024.7	Oil & Gas Producers	13,284.4	76.2	2,566.2	13.6	0.3	31/12/2006
243	55	Saudi Telecom	Saudi Arabia	34,931.0	Fixed Line Telecommunications	9,007.9	17.5	3,412.2	10.3		31/12/2006
244	266	Ambev	Brazil	34,729.0	Beverages	8,554.5	554.7	1,362.9	25.9	4.9	31/12/2006
245	277	Hon Hai Precision Industry	Taiwan	34,670.8	Technology Hardware & Equipment	27,571.1	6.7	1,233.3	21.7	1.4	31/12/2005
246	241	Dexia	Belgium	34,599.8	Banks		29.7	3,667.0	11.5		31/12/2006
247	247	Prudential	UK	34,399.6	Life Insurance		14.1	1,715.3	19.6	2.7	31/12/2006
248	197	Emerson Electric	US	34,381.2	Electronic & Electrical Equipment	20,133.0	43.1	1,845.0	9.5	4.1	30/09/2006
249	255	Singapore Telecommunications	Singapore	34,358.7	Fixed Line Telecommunications	8,658.3	2.2	2,743.7	10.5	3.1	31/03/2006
250	231	Colgate-Palmolive	US	34,303.4	Personal Goods	12,237.7	66.8	1,353.4	26.0	1.9	31/12/2006
251	281	Baxter International	US	34,228.0	Healthcare Equipment & Services	10,378.0	52.7	1,397.0	24.5	1.1	31/12/2006
252	250	Marathon Oil	US	34,181.6	Oil & Gas Producers	64,896.0	98.8	5,234.0	7.1	1.5	31/12/2006
253	327	Swiss RE	Switzerland	34,041.6	Nonlife Insurance		90.9	3,746.3	8.2	3.1	31/12/2005
254		Time Warner Cable	US	33,794.7	Media	11,767.0	37.5	1,976.0	18.7		31/12/2006
255	47	Al Rahji Banking & Investment	Saudi Arabia	33,297.8	Banks		24.7	1,946.6	8.6	1.1	31/12/2006
256	443	Bharti Airtel	India	33,289.4	Mobile Telecommunications	2,666.5	17.6	463.6	71.3		31/03/2006
257	225	Renault	France	33,207.6	Automobiles & Parts	55,376.3	116.5	3,825.7	7.8	3.5	31/12/2006
258	196	Fedex	US	33,067.1	Industrial Transportation	32,294.0	107.4	1,806.0	18.1	0.3	31/05/2006
259	230	SABMiller	UK	32,851.4	Beverages	15,307.0	21.9	1,440.0	20.8	2.2	31/03/2006
260	191	Denso	Japan	32,794.6	Automobiles & Parts	27,057.9	37.1	1,439.7	21.3	0.9	31/03/2006
261	285	Mitsui	Japan	32,736.3	Support Services	34,926.2	18.6	1,717.8	17.4	1.1	31/03/2006
262	289	Canadian Imperial Bank of Comı	Canada	32,730.8	Banks		86.9	2,285.5	13.4	2.7	31/10/2006
263	294	Cemex	Mexico	32,443.2	Construction & Materials	17,825.6	3.3	2,322.7	10.2		31/12/2006
264		China Merchants Bank	China	32,441.4	Banks		2.0	484.3	43.4	0.5	31/12/2005
265	309	Danske Bank	Denmark	32,396.0	Banks		46.4	2,426.6	12.0	3.0	31/12/2006
266	229	Aegon	Netherlands	32,233.0	Life Insurance		19.9	3,719.0	9.1	3.7	31/12/2006
267	365	Imperial Tobacco	UK	32,191.2	Tobacco	6,205.7	44.6	1,670.2	18.6	3.0	30/09/2006
268	318	AGF	France	31,979.8	Nonlife Insurance		166.9	2,532.3	12.0	3.4	31/12/2006
269	175	Halliburton	US	31,713.7	Oil Equipment & Services	22,504.0	31.7	2,348.0	13.7	0.9	31/12/2006
270	500	Fiat	Italy	31,635.5	Automobiles & Parts	69,116.4	25.1	1,420.1	23.9	0.8	31/12/2006
271	263	Kimberly-Clark	US	31,262.3	Personal Goods	16,746.9	68.5	1,499.5	20.9	2.9	31/12/2006
272	242	Bank of Montreal	Canada	31,130.6	Banks		60.4	2,300.2	13.3	3.2	31/10/2006
273	228	East Japan Railway	Japan	31,098.9	Travel & Leisure	22,000.5	7,774.7	1,337.3	23.3	0.9	31/03/2006
274	299	Hartford Financial Services	US	31,056.7	Nonlife Insurance		95.6	2,745.0	10.8	1.8	31/12/2006
275	275	General Dynamics	US	30,997.6	Aerospace & Defense	24,063.0	76.4	1,856.0	18.0	1.2	31/12/2006
276	301	Capital One Financial	US	30,983.4	General Financial		75.5	2,414.5	9.7	0.1	31/12/2006
277	306	Dominion Resources	US	30,978.1	Electricity	16,482.0	88.8	1,380.0	22.5	3.1	31/12/2006

278	258	Devon Energy	US	30,916.6	Oil & Gas Producers	10,578.0	69.2	2,846.0	10.8	0.7	31/12/2006
279	379	Las Vegas Sands	US	30,719.1	Travel & Leisure	2,236.9	86.6	442.0	69.3		31/12/2006
280	253	Bank of New York	US	30,650.2	Banks		40.6	3,011.0	10.2	2.1	31/12/2006
281	298	Franklin Resources	US	30,649.4	General Financial		120.8	1,268.0	24.3	0.4	31/12/2006
282	172	Resona	Japan	30,603.3	Banks		2,684.7	3,252.8	9.9	0.3	31/03/2006
283	293	Schneider Electric	France	30,490.3	Electronic & Electrical Equipment	18,308.5	126.5	1,745.5	15.9		31/12/2006
284	204	Millea Holdings	Japan	30,446.1	Nonlife Insurance		36.9	763.5	41.1	68.9	31/03/2006
285	323	Veolia Environnement	France	30,437.0	Gas, Water & Multiutilities	38,164.4	74.1	1,011.7	28.8		31/12/2006
286	236	Kookmin Bank	South Korea	30,183.2	Banks		89.7	2,600.4	11.6	4.3	31/12/2006
287	302	KPN	Netherlands	29,933.8	Fixed Line Telecommunications	15,923.0	15.5	2,110.9	14.7	4.3	31/12/2006
288	319	Monsanto	US	29,871.1	Chemicals	7,344.0	55.0	689.0	42.9	0.7	31/08/2006
289	271	Commerzbank	Germany	29,836.7	Banks		44.1	2,129.6			31/12/2006
290	216	Teva Pharmaceutical Industries	Israel	29,816.8	Pharmaceuticals & Biotechnology	8,408.0	37.5	546.0	52.0	0.9	31/12/2006
291	227	Canadian Natural Resources	Canada	29,776.9	Oil & Gas Producers	8,981.2	55.3	2,180.1	13.6		31/12/2006
292	415	Telenor Group	Norway	29,729.0	Mobile Telecommunications	14,957.1	17.7	2,611.0	11.4	2.3	31/12/2006
293	316	Liberty Media	US	29,699.5	Media	8,613.0	23.8	840.0	32.6		31/12/2006
294	274	Husky Energy	Canada	29,664.6	Oil & Gas Producers	10,938.5	69.9	2,354.6	12.6	1.9	31/12/2006
295		Natixis	France	29,570.2	Banks		24.2	926.8	1.2	27.5	31/12/2005
296	262	Alcoa	US	29,519.8	Industrial Metals	30,379.0	33.9	2,248.0	13.1	1.8	31/12/2006
297	349	Westfield Group	Australia	29,501.3	Real Estate		16.6	4,509.6	6.5	5.2	31/12/2006
298	268	Suntrust Banks	US	29,501.2	Banks		83.0	2,117.5	14.1	2.9	31/12/2006
299	363	TXU	US	29,439.1	Electricity	10,856.0	64.1	2,552.0	11.5	2.6	31/12/2006
300	125	Seven & I Holding	Japan	29,424.5	Food & Drug Retailers	29,171.2	30.4	746.2	35.5	0.8	28/02/2006
301	291	Cheung Kong	Hong Kong	29,314.3	Real Estate		12.7	2,313.2	12.7	2.2	31/12/2006
302		Air Liquide	France	29,288.5	Chemicals	14,599.8	242.9	1,336.5	21.8	2.2	31/12/2006
303	219	Cardinal Health	US	29,201.5	Food & Drug Retailers	81,363.6	73.0	1,000.1	30.7	0.4	30/06/2006
304	212	EMC	US	29,197.5	Technology Hardware & Equipment	11,155.1	13.9	1,224.0	25.6		31/12/2006
305	283	Richemont	Switzerland	29,054.2	Personal Goods	5,744.6	55.7	1,458.8	21.1	2.6	31/03/2006
306	221	Burlington Northern Santa Fe	US	28,871.1	Industrial Transportation	14,985.0	80.4	1,887.0	15.4	1.1	31/12/2006
307	312	BAE Systems	UK	28,861.3	Aerospace & Defense	24,204.8	9.0	3,210.8	9.1	2.7	31/12/2006
308	257	Illinois Tool Works	US	28,835.3	Industrial Engineering	14,055.1	51.6	1,717.7	17.0	1.5	31/12/2006
309	297	Sun Hung Kai Properties	Hong Kong	28,827.1	Real Estate		11.6	2,540.4	11.0	2.4	30/06/2006
310	245	Viacom	US	28,451.6	Media	11,466.5	41.1	1,592.1	18.4		31/12/2006
311	315	Anadarko Petroleum	US	28,448.0	Oil & Gas Producers	10,187.0	43.0	4,854.0	7.1	0.8	31/12/2006
312	286	National Thermal Power	India	28,408.1	Electricity	6,169.1	3.5	1,335.3	21.3	1.9	31/03/2006
313	353	DirecTV	US	28,366.7	Media	14,755.5	23.1	1,420.1	20.4		31/12/2006

314	320	Reed Elsevier	Netherlands/	28,352.3	Media	10,954.0	11.9	628.0	23.7	2.9	31/12/2006
315	324	Great West Lifeco	Canada	28,333.8	Life Insurance		30.2	1,664.4	16.6	2.7	31/12/2006
316	439	Centrica	UK	27,777.1	Gas, Water & Multiutilities	32,284.8	7.6	-304.2	-89.8	3.2	31/12/2006
317	402	Scottish Power	UK	27,732.6	Electricity	10,688.5	15.7	3,028.9	9.5	3.5	31/03/2006
318	367	Tata Consultancy Services	India	27,720.3	Software & Computer Services	3,032.3	28.3	678.2	20.4	1.1	31/03/2006
319	357	Sears Holdings	US	27,710.4	General Retailers	53,012.0	180.2	1,490.0			03/02/2007
320	350	Kansai Electric Power	Japan	27,639.6	Electricity	21,887.3	28.7	1,366.8	19.6	1.8	31/03/2006
321	382	Lafarge	France	27,613.0	Construction & Materials	22,547.6	156.7	1,829.5	14.9		31/12/2006
322	288	Union Pacific	US	27,494.9	Industrial Transportation	15,578.0	101.6	1,606.0	17.0	1.2	31/12/2006
323	287	Sun Life Financial	Canada	27,379.2	Life Insurance		45.5	1,851.9	14.6	2.2	31/12/2006
324	300	Southern Company	US	27,221.4	Electricity	14,356.0	36.7	1,573.0	17.3	4.2	31/12/2006
325	360	Tenaris	Argentina	27,218.2	Industrial Metals	7,727.7	22.6	1,945.3	13.7		31/12/2006
326	290	Hang Seng Bank	Hong Kong	27,157.4	Banks		14.2	1,540.6	17.6	4.7	31/12/2006
327	224	Softbank	Japan	27,094.2	Mobile Telecommunications	9,408.7	25.7	488.4	55.6	0.1	31/03/2006
328	425	Stryker	US	27,088.5	Healthcare Equipment & Services	5,405.6	66.3	777.7	34.7	0.3	31/12/2006
329	332	Alcatel Lucent	France	27,083.0	Technology Hardware & Equipment	16,377.7	11.7	696.0	38.3	3.8	31/12/2006
330	362	Banco Brasil	Brazil	26,901.6	Banks		32.6	2,017.3	12.9	2.8	31/12/2005
331	366	Cadbury Schweppes	UK	26,837.8	Food Producers	14,576.2	12.8	2,294.3	11.6	2.4	31/12/2006
332	413	Chubu Electric Power	Japan	26,828.0	Electricity	18,250.4	34.3	1,013.8	24.9	1.5	31/03/2006
333	303	Thomson	Canada	26,670.9	Media	6,641.0	41.4	1,120.0	24.0	2.1	31/12/2006
334	265	Automatic Data Processing	US	26,633.9	Support Services	8,881.5	43.5	1,554.0	22.6	1.6	30/06/2006
335	307	Northrop Grumman	US	26,489.9	Aerospace & Defense	30,148.0	74.2	1,542.0	16.4	1.6	31/12/2006
336	368	CEZ	Czech Repul	26,465.8	Electricity	7,575.6	44.7	1,314.8	20.0		31/12/2006
337		Woolworths	Australia	26,464.7	Food & Drug Retailers	30,478.7	22.0	819.5	29.9	2.2	25/06/2006
338	314	Shin Etsu Chemical	Japan	26,312.5	Chemicals	9,572.1	60.9	976.3	26.9	0.5	31/03/2006
339	308	Hitachi	Japan	26,072.1	Electronic & Electrical Equipment	80,323.5	7.7	316.7		1.2	31/03/2006
340	461	Scottish & Southern Energy	UK	26,051.0	Electricity	19,911.0	30.2	1,260.6	20.6	3.4	31/03/2006
341	361	AIB	Ireland	25,892.8	Banks		29.6	2,913.6	9.0		31/12/2006
342	329	Fortum	Finland	25,882.8	Electricity	5,988.6	29.1	1,428.1	17.9	5.8	31/12/2006
343	491	Regions Financial	US	25,881.7	Banks		35.4	1,353.1	13.1	4.0	31/12/2006
344	414	Infosys Technologies	India	25,830.5	Software & Computer Services	2,176.6	46.3	561.9	22.5	0.7	31/03/2006
345	375	Mitsui Fudosan	Japan	25,828.7	Real Estate		29.3	479.8	51.1	0.3	31/03/2006
346	432	Bouygues	France	25,780.6	Construction & Materials	35,214.3	77.0	1,661.5	18.7		31/12/2006
347	405	Novo Nordisk	Denmark	25,753.4	Pharmaceuticals & Biotechnology	6,934.8	90.9	1,154.9	25.3	1.4	31/12/2006
348	351	BOC Hong Kong	Hong Kong	25,626.1	Banks		2.4	1,792.6	14.3	4.5	31/12/2006
349	260	Korea Electric Power	South Korea	25,612.2	Electricity	28,378.7	39.9	2,178.4	11.7	2.6	31/12/2006

350	252	Applied Materials	US	25,590.7	Technology Hardware & Equipment	9,167.0	18.3	1,516.7	18.7	1.0	29/10/2006
351	410	Heineken	Netherlands	25,541.7	Beverages	15,773.6	52.1	1,614.8	15.8	1.5	31/12/2006
352	256	Duke Energy	US	25,506.9	Gas, Water & Multiutilities	15,184.0	20.3	1,863.0	11.7	6.2	31/12/2006
353	348	Power Financial	Canada	25,423.5	Life Insurance		33.8	1,861.4	13.2	2.6	31/12/2006
354	334	Central Japan Railway	Japan	25,421.1	Travel & Leisure	12,455.3	11,348.7	1,039.1	24.5	0.5	31/03/2006
355	328	BCE	Canada	25,402.3	Mobile Telecommunications	15,299.5	28.3	1,733.5	14.6	4.0	31/12/2006
356		ThyssenKrupp	Germany	25,367.6	General Industrials	62,839.7	49.3	2,190.9	11.4	2.7	30/09/2006
357		Research In Motion	Canada	25,360.3	Technology Hardware & Equipment	2,065.8	136.5	382.1	67.6		04/03/2006
358		FPL Group	US	25,299.3	Electricity	15,710.0	61.2	1,281.0	18.8	2.5	31/12/2006
359	469	MTN Group	South Africa	25,265.3	Mobile Telecommunications	3,726.6	13.6	803.3	28.1	0.7	31/12/2005
360	195	EADS	France	25,227.9	Aerospace & Defense	45,612.7	30.9	2,234.9	11.0	2.8	31/12/2005
361	417	Holcim	Switzerland	25,213.4	Construction & Materials	19,691.7	99.7	1,728.5	14.0	1.6	31/12/2006
362		National Bank of Greece	Greece	25,117.7	Banks		52.9	969.9	19.1	1.5	31/12/2005
363	386	PNC Financial Services	US	25,026.8	Banks		72.0	2,595.0	8.1	3.0	31/12/2006
364	429	Banco Popular Espanol	Spain	24,981.1	Banks		20.6	1,368.2	18.3	2.4	31/12/2006
365	411	Simon Property	US	24,804.2	Real Estate		111.3	563.8	50.6	2.7	31/12/2006
366	369	Sumitomo Metal Industries	Japan	24,787.9	Industrial Metals	13,177.6	5.2	1,877.7	13.2	1.2	31/03/2006
367	403	Loews Corporation	US	24,689.5	Nonlife Insurance		45.4	2,074.9	12.1	0.5	31/12/2006
368	341	Barrick Gold	Canada	24,665.1	Mining	5,636.0	28.6	1,506.0	15.9		31/12/2006
369	412	Deere	US	24,645.4	Industrial Engineering	22,058.8	108.6	1,693.8	17.2	1.4	31/10/2006
370	416	Kohls	US	24,601.5	General Retailers	15,544.2	76.6	1,108.7	22.9		03/02/2007
371	356	Adobe Systems	US	24,538.6	Software & Computer Services	2,575.3	41.7	505.8	49.1		01/12/2006
372	337	Erste Bank	Austria	24,469.2	Banks		77.6	1,243.1			31/12/2006
373	276	Costco Wholesale	US	24,352.6	General Retailers	60,151.2	53.8	1,103.2	22.9	0.9	03/09/2006
374	340	Astellas Pharma	Japan	24,263.5	Pharmaceuticals & Biotechnology	7,462.7	43.0	879.7	27.6	1.4	31/03/2006
375	457	CBS	US	24,015.8	Media	14,320.2	30.6	1,660.5	16.9	2.4	31/12/2006
376	335	Archer Daniels Midland	US	23,955.2	Food Producers	36,596.1	36.7	1,312.1	18.3	5.5	30/06/2006
377	270	Transocean	US	23,935.5	Oil Equipment & Services	3,882.0	81.7	1,385.0	18.5		31/12/2006
378		Freeport-Mcmoran Copper & Go	US	23,763.0	Mining	5,790.5	66.2	1,456.5	9.0	7.2	31/12/2006
379	209	Samba Financial	Saudi Arabia	23,678.4	Banks		39.5	1,389.2	17.1	2.3	31/12/2006
380	384	Federated Department Stores	US	23,658.8	General Retailers	26,970.0	45.1	995.0	24.9		03/02/2007
381	249	Orix	Japan	23,617.9	General Financial		260.0	1,412.1	16.3	0.3	31/03/2006
382	345	National City	US	23,556.2	Banks		37.3	2,299.8	9.9	4.1	31/12/2006
383	240	Starbucks	US	23,550.0	Travel & Leisure	7,786.9	31.4	564.3	42.4		01/10/2006
384	254	Best Buy	US	23,479.5	General Retailers	30,848.0	48.7	1,140.0	20.9	0.6	25/02/2006
385	372	Raytheon	US	23,407.3	Aerospace & Defense	20,291.0	52.5	1,283.0	18.1	1.8	31/12/2006

386	343	Apache	US	23,398.7	Oil & Gas Producers	8,115.2	70.7	2,552.5	9.2	0.7	31/12/2006
387	346	Capitalia	Italy	23,379.1	Banks		9.0	1,550.1			31/12/2006
388	330	Charles Schwab	US	23,191.5	General Financial		18.3	1,227.0	18.9	0.7	31/12/2006
389	325	Aflac	US	23,147.7	Life Insurance		47.1	1,483.0	15.7	1.2	31/12/2006
390	464	Metro	Germany	23,084.3	General Retailers	79,850.8	70.6	1,408.1	16.4	2.1	31/12/2006
391	404	CRH	Ireland	23,083.3	Construction & Materials	24,985.8	42.6	1,613.8	14.2	1.8	31/12/2006
392		Petroleos (Cepsa)	Spain	22,991.9	Oil & Gas Producers	27,612.4	85.9	1,082.3			31/12/2006
393		Deutsche Boerse	Germany	22,890.8	General Financial		228.3	891.7	25.4	2.0	31/12/2006
394	452	Accenture	US	22,877.1	Support Services	18,228.4	38.5	973.3	23.4	0.8	31/08/2006
395		Brookfield Asset Management	Canada	22,673.2	Real Estate		52.3	1,170.0	17.8		31/12/2006
396	251	Aetna	US	22,613.2	Healthcare Equipment & Services	25,145.7	43.8	1,701.7			31/12/2006
397	296	Canadian National Railway	Canada	22,604.2	Industrial Transportation	6,664.7	44.1	1,802.6	12.9	1.3	31/12/2006
398	486	Marks & Spencer	UK	22,548.2	General Retailers	15,303.8	13.3	1,026.6	21.5	2.3	01/04/2006
399	467	Daiichi Sankyo	Japan	22,472.1	Pharmaceuticals & Biotechnology	7,857.9	30.6	744.2	30.1	0.7	31/03/2006
400	435	Sumitomo	Japan	22,454.2	Support Services	21,907.3	18.0	1,359.9	16.2	1.2	31/03/2006
401	282	Alltel	US	22,352.6	Mobile Telecommunications	7,884.0	62.0	1,129.4	21.0	1.7	31/12/2006
402	352	McGraw-Hill	US	22,318.4	Media	6,255.1	62.9	882.2	25.5	1.2	31/12/2006
403	317	Fanuc	Japan	22,252.0	Industrial Engineering	3,234.0	92.9	767.5	26.1	0.9	31/03/2006
404	354	BB&T	US	22,232.3	Banks		41.0	1,528.0	14.4	3.9	31/12/2006
405		DBS Group	Singapore	22,137.1	Banks		14.1	1,495.3	11.4	4.3	31/12/2006
406	428	Pernod-Ricard	France	22,088.5	Beverages	8,088.8	202.1	852.1	20.1	1.7	30/06/2006
407	394	Danaher	US	22,085.2	Electronic & Electrical Equipment	9,596.4	71.5	1,122.0	19.6	0.0	31/12/2006
408	420	Mitsubishi Electric	Japan	22,076.7	Industrial Engineering	30,587.1	10.3	812.1	27.1	0.7	31/03/2006
409	421	Christian Dior	France	22,013.7	Personal Goods	21,356.8	121.1	1,062.8	20.7		31/12/2006
410	488	Shinhan Financial	South Korea	21,905.8	Banks		57.4	1,927.8	11.4		31/12/2006
411	448	SEB	Sweden	21,860.3	Banks		31.9	1,804.2	11.9	2.7	31/12/2006
412	493	Mitsubishi Heavy Inds.	Japan	21,771.9	Industrial Engineering	23,695.4	6.5	253.0		0.5	31/03/2006
413		Telkom	Indonesia	21,761.7	Fixed Line Telecommunications	4,581.5	1.1	876.0	24.9	2.2	31/12/2005
414	344	Woodside Petroleum	Australia	21,728.5	Oil & Gas Producers	2,915.9	31.9	1,152.6	18.2	3.2	31/12/2006
415		Entergy	US	21,703.9	Electricity	10,932.2	104.9	1,132.6	19.2	2.1	31/12/2006
416		Akzo Nobel	Netherlands	21,654.7	Chemicals	18,317.9	75.7	1,537.5	14.1	2.1	31/12/2006
417	436	Sun Microsystems	US	21,640.5	Technology Hardware & Equipment	13,068.0	6.0	-864.0	-24.0		30/06/2006
418	374	State Street Corporation	US	21,616.5	General Financial		64.8	1,106.0	19.4	1.2	31/12/2006
419	487	Public Service Enterprise Group	US	21,599.9	Electricity	12,164.0	83.0	739.0	29.2	2.7	31/12/2006
420	338	Fifth Third Bancorp	US	21,591.6	Banks		38.7	1,188.0	18.1	4.1	31/12/2006
421		QBE Insurance Group	Australia	21,561.7	Nonlife Insurance		25.5	1,197.9	16.9	3.0	31/12/2006

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422	401	Boston Scientific	US	21,524.1	Healthcare Equipment & Services	7,821.0	14.5	-3,577.0	-5.2		31/12/2006
423	406	Toshiba	Japan	21,455.6	General Industrials	53,834.5	6.7	663.5	32.3	0.8	31/03/2006
424		Foxconn International	Hong Kong	21,373.4	Technology Hardware & Equipment	6,364.5	3.1	385.7	54.1		31/12/2005
425	391	Sharp	Japan	21,353.3	Leisure Goods	23,737.8	19.2	752.5	28.0	1.0	31/03/2006
426		ACS Actividades de Construccio	Spain	21,349.4	Construction & Materials	18,758.2	60.5	1,667.0			31/12/2006
427		Rogers Communications	Canada	21,289.9	Mobile Telecommunications	7,633.8	32.8	537.2	38.3		31/12/2006
428	313	Baker Hughes	US	21,177.5	Oil Equipment & Services	9,027.4	66.1	2,419.0	9.0	0.8	31/12/2006
429	484	FirstEnergy	US	21,144.2	Electricity	11,501.0	66.2	1,254.0	17.3	2.8	31/12/2006
430	388	Chubb	US	21,111.8	Nonlife Insurance		51.7	2,528.0	8.4	1.9	31/12/2006
431		Southern Copper	US	21,101.1	Industrial Metals	5,460.2	71.7	2,037.6	10.5	7.2	31/12/2006
432		United Overseas Bank	Singapore	21,070.8	Banks		13.8	1,693.7	10.2	4.8	31/12/2006
433	423	Bank of Ireland	Ireland	21,038.2	Banks		21.5	1,740.2	11.8	3.3	31/03/2006
434	453	Fuji Photo Film	Japan	21,007.8	Leisure Goods	22,637.8	40.8	314.1	66.2	0.5	31/03/2006
435		TNT	Netherlands	21,001.4	Industrial Transportation	13,265.4	45.7	893.4	21.5	2.1	31/12/2006
436	400	Komatsu	Japan	20,977.2	Industrial Engineering	14,443.9	21.0	969.9	21.5	0.6	31/03/2006
437		Sandvik	Sweden	20,965.9	Industrial Engineering	10,347.3	17.7	1,102.3	19.1	5.1	31/12/2006
438		Gas Natural	Spain	20,951.7	Gas, Water & Multiutilities	13,799.1	46.8	1,139.4	18.4	2.8	31/12/2006
439	450	Medco Health Solutions	US	20,892.5	Healthcare Equipment & Services	42,543.7	72.5	630.2	34.2		30/12/2006
440	385	Sysco	US	20,872.7	Food & Drug Retailers	32,628.4	33.8	855.3	24.5	2.0	01/07/2006
441	273	Sasol	South Africa	20,872.0	Oil & Gas Producers	8,744.1	33.4	1,420.6	14.6	2.9	30/06/2006
442	181	Yahoo Japan	Japan	20,820.4	Software & Computer Services	1,474.1	344.3	399.6	52.8	0.4	31/03/2006
443	407	Standard Bank	South Africa	20,770.1	Banks		14.7	1,477.2	12.4	3.0	31/12/2006
444	278	Etisalat	UAE	20,636.5	Fixed Line Telecommunications	4,436.1	4.5	1,595.7	14.2	3.3	31/12/2006
445		Atlas Copco	Sweden	20,509.4	Industrial Engineering	7,230.2	33.1	2,197.0	23.2	2.1	31/12/2006
446	431	Kellogg	US	20,467.5	Food Producers	10,906.7	51.4	1,004.1	20.3	2.2	30/12/2006
447		Man Group	UK	20,464.2	General Financial		10.9	1,014.0	3.2	8.8	31/03/2006
448		PPR	France	20,459.0	General Retailers	23,910.3	159.4	913.8	21.2		31/12/2006
449	383	Swisscom	Switzerland	20,407.3	Fixed Line Telecommunications	7,930.4	359.8	1,313.7	15.1	3.9	31/12/2006
450	361	Inpex	Japan	20,395.7	Oil & Gas Producers	5,976.6	8,638.6	878.2	18.9	0.5	31/03/2006
451	492	Legal & General	UK	20,371.9	Life Insurance		3.1	3,069.5	6.6	3.9	31/12/2006
452	479	Henkel	Germany	20,339.2	Household Goods	16,988.4	147.3	1,140.1	18.6	1.4	31/12/2006
453	482	Formosa Petrochemical	Taiwan	20,262.2	Oil & Gas Producers	13,460.9	2.2	1,731.2	11.3	6.5	31/12/2005
454	466	Zimmer	US	20,256.1	Healthcare Equipment & Services	3,495.4	85.4	834.5	24.9		31/12/2006
455	183	First Data	US	20,255.5	Support Services	5,608.8	26.9	1,513.4	13.6	0.8	31/12/2006
456		Accor	France	20,196.5	Travel & Leisure	10,143.7	95.2	668.1	32.0	4.1	31/12/2006
457	434	Praxair	US	20,170.5	Chemicals	8,324.0	63.0	988.0	20.6	1.6	31/12/2006

458		XTO Energy	US	20,167.7	Oil & Gas Producers	4,576.0	54.8	1,860.0	10.7	0.6	31/12/2006
459	342	Newmont Mining	US	20,126.8	Mining	4,987.0	42.0	791.0	24.1	1.0	31/12/2006
460	424	General Mills	US	20,094.6	Food Producers	11,640.0	58.2	1,090.0	19.1	2.3	28/05/2006
461	336	Norfolk Southern	US	20,087.5	Industrial Transportation	9,407.0	50.6	1,475.0	13.9	1.3	31/12/2006
462		Emaar Properties	UAE	20,037.3	Real Estate		3.0	1,730.8	10.4	1.8	31/12/2006
463		Raiffeisen International Bank	Austria	20,027.5	Banks		140.3	1,576.2			31/12/2006
464		Kroger	US	20,000.0	Food & Drug Retailers	66,111.2	28.3	1,114.9	18.1		03/02/2007
465	471	Nike	US	19,986.3	Personal Goods	14,954.9	53.1	1,392.0	9.9	2.2	31/05/2006
466	331	Countrywide Financial	US	19,841.4	General Financial		33.6	2,674.8	7.6	1.8	31/12/2006
467		Syngenta	Switzerland	19,814.7	Chemicals	8,046.0	190.5	634.0	29.5	1.6	31/12/2006
468		Celgene	US	19,806.4	Pharmaceuticals & Biotechnology	898.9	52.5	69.0			31/12/2006
469		Reliance Communications	India	19,757.0	Fixed Line Telecommunications	2,680.5	9.7	550.7	37.2		31/03/2007
470		MGM Mirage	US	19,755.2	Travel & Leisure	7,176.0	69.5	648.3	30.4		31/12/2006
471		Land Securities	UK	19,742.2	Real Estate		42.0	3,289.1	6.0	2.4	31/03/2006
472		Telmex	Mexico	19,700.9	Fixed Line Telecommunications	15,828.0	1.7	2,580.7	13.2		31/12/2006
473	418	Firstrand	South Africa	19,684.2	Banks		3.4	1,246.1	14.4	2.7	30/06/2006
474		Thermo Fisher Scientific	US	19,636.4	Healthcare Equipment & Services	3,791.6	46.8	168.9	55.0		31/12/2006
475		Mobile Telesystems	Russia	19,614.3	Mobile Telecommunications	5,011.0	9.8	1,126.4	17.3	2.1	31/12/2005
476	477	Nucor	US	19,612.7	Industrial Metals	14,751.3	65.1	1,757.7	11.4	3.3	31/12/2006
477		Energias de Portugal	Portugal	19,567.2	Electricity	13,801.1	5.4	1,254.5			31/12/2006
478		Abertis	Spain	19,526.9	Industrial Transportation	4,447.1	32.0	706.7			31/12/2006
479	494	Woori Finance	South Korea	19,494.8	Banks		24.2	2,134.6	1.6	2.6	31/12/2006
480		Vornado Realty Trust	US	19,484.2	Real Estate		119.3	560.1	36.2	2.7	31/12/2006
481		Alliance Boots	UK	19,480.0	Food & Drug Retailers	9,866.8	20.1	3,481.1	4.0	24.9	31/03/2006
482	292	Petro Canada	Canada	19,476.1	Oil & Gas Producers	16,334.3	39.1	1,502.9	14.4		31/12/2006
483		Oversea-Chinese Banking	Singapore	19,398.4	Banks		5.9	1,319.3	11.3	2.6	31/12/2006
484	458	British Sky Broadcasting	UK	19,390.0	Media	8,140.9	11.1	1,081.4	18.7	2.4	30/06/2006
485		American Electric Power	US	19,337.9	Electricity	12,622.0	48.8	1,002.0	19.3	3.1	31/12/2006
486	455	Alcan	Canada	19,330.2	Industrial Metals	23,641.0	52.2	1,786.0	11.0	1.3	31/12/2006
487		Itausa	Brazil	19,295.8	General Financial		5.6	1,115.7	16.0	2.4	31/12/2005
488	408	Svenska Handelsbanken	Sweden	19,194.1	Banks		29.6	1,879.1	10.1	3.9	31/12/2006
489	462	Ace	US	19,156.8	Nonlife Insurance		57.1	2,256.0	8.3	1.8	31/12/2006
490		Cathay Financial	Taiwan	19,154.9	General Financial		2.1	658.8	26.8	2.2	31/12/2005
491		Marriott International	US	18,994.1	Travel & Leisure	4,085.0	49.0	608.0	32.6	0.5	29/12/2006
492	370	Mitsui Sumitomo Insurance	Japan	18,954.0	Nonlife Insurance		12.5	608.1	29.4	0.9	31/03/2006
493		Becton Dickinson	US	18,806.6	Healthcare Equipment & Services	5,834.8	76.9	752.3	25.3	1.1	30/09/2006

494		Lincoln National	US	18,801.9	Life Insurance		67.8	1,316.0	13.0	2.3	31/12/2006
495	427	DnB NOR	Norway	18,791.2	Banks		14.1	1,665.9	11.3	4.1	31/12/2005
496	495	Continental	Germany	18,784.1	Automobiles & Parts	19,851.4	128.6	1,309.3	14.4	2.1	31/12/2006
497		Sainsbury (J)	UK	18,775.0	Food & Drug Retailers	31,521.3	10.8	125.6		1.6	25/03/2006
498	380	Omv	Austria	18,732.3	Oil & Gas Producers	25,296.4	62.8	1,843.7	10.1	2.2	31/12/2006
499	419	Chunghwa Telecom	Taiwan	18,726.8	Fixed Line Telecommunications	5,545.3	1.9	1,441.0	13.0	6.7	31/12/2005
500	430	Wipro	India	18,692.9	Software & Computer Services	2,423.9	12.9	472.6	38.2	0.9	31/03/2006