

# Exchange-Traded Funds

***Capital Link Forum***

***Closed-End Fund and Global ETF Conference***

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## ***International Stock Exchange Initiatives***

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# Global ETF Listings (March 31, 2004)

ETFs Country/Region	Number of Primary ETF Listings	New ETFs in 2004	Total ETF Listing	Assets Under Management Billions USD	Number of Managers	Number of Exchange (official listings)
US*	149	15	149	\$167.57	9	4
Europe	109	5	163	24.93	14	11
Japan	17	-1	17	28.58	4	2
Canada	16		16	5.74	2	1
Korea	4	-2	4	0.61	2	2
Australia	4		4	0.56	2	1
South Africa	4		4	0.89	2	1
Hong Kong	3		5	4.01	3	1
India	5		5	0.03	3	2
Israel	6	3	6	1.07	2	1
Singapore	1		6	0.25	1	1
Taiwan	1		1	1.37	1	1
<b>Total</b>	<b>319</b>	<b>20</b>	<b>380</b>	<b>235.60</b>	<b>36</b>	<b>28</b>

Source: Morgan Stanley and Bloomberg.

\* Includes HOLDRS

# Important Disclosures

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# Ratings Distribution and Definitions

## Global Stock Ratings Distribution

(as of April 30, 2004)

Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
<b>Overweight</b>	614	34%	258	40%	42%
<b>Equal-weight</b>	805	45%	287	44%	36%
<b>Underweight</b>	364	20%	102	16%	28%
<b>Total</b>	1,783		647		

Data include common stock and ADRs currently assigned ratings. For disclosure purposes (in accordance with NASD and NYSE requirements), we note that Overweight, our most positive stock rating, most closely corresponds to a buy recommendation; Equal-weight and Underweight most closely correspond to neutral and sell recommendations, respectively. However, Overweight, Equal-weight, and Underweight are not the equivalent of buy, neutral, and sell but represent recommended relative weightings (see definitions below). An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

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**Overweight (O).** The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

**Equal-weight (E).** The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

**Underweight (U).** The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

**More volatile (V).** We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "more volatile" can still perform in that manner.

Unless otherwise specified, the time frame for price targets included in this report is 12 to 18 months. Ratings prior to March 18, 2002: SB=Strong Buy; OP=Outperform; N=Neutral; UP=Underperform. For definitions, please go to [www.morganstanley.com/companycharts](http://www.morganstanley.com/companycharts).

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**Attractive (A).** The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark named on the cover of this report.

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**Cautious (C).** The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark named on the cover of this report.

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## Other Important Disclosures

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