

- Active management, 357  
ADRs. *See* American Depositary Receipts  
Air India, 142  
Air Sahara, 138  
Alexander the Great, 97  
Alpha, 357  
Aluminum Corporation of China, 192  
American Depositary Receipts (ADRs), 291, 357  
    usage. *See* Foreign stocks  
Apollo Hospitals, 147  
Arvind Eye Care Center, 147–148  
Arvind Mills Ltd., 143  
Ashoka, 97–98  
Ashok Leyland, 137  
Associated Cement, 139
- Bajaj Auto, 142  
Baoshan Iron & Steel, 192  
Bata India Ltd., 143  
BCI. *See* Business Competitiveness Index  
Beijing Urban Construction Group Co., Ltd., 193  
Beta, 357  
Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), 148  
Bharat Electronics, 138  
Bharat Forge, 137  
Bharat Heavy Electricals Limited (BHEL), 138  
Bharat Heavy Elements, 137  
Bharti Televentures, 145  
Bibliography, 351  
Biodiesel opportunity. *See* Brazil  
Bolsheviks, power consolidation. *See* Russia
- Brazil  
    ADRs, 292–297  
    biodiesel opportunity, 54  
    colonization, 26–28  
    data profile, 269–271  
    demographics, 41–44  
    economic challenges, 35–36  
    economic crisis, 31–32  
    economic miracle, 30–31  
    economic performance, 44–46  
    education/training, 50–51  
    energy, 53–54  
    examination, 342  
    exports, 47–48  
    financials, 54–55  
    financial system/policies, 51–52  
    forest products, 53  
    free elections, 32  
    GDP growth, expansion, 44–46  
    governance indicators, 287t  
    growth industries, 52–55  
    history, 25  
    index sector weights. *See* MSCI Brazil  
        Index sector weights  
    industrialization, beginnings, 29–30  
    inflation, 31–32  
        low level, 35–36  
    infrastructure development, 48  
    investment, 41  
    metals/mining, 53  
    middle class, expansion, 44–46  
    modern history, 33  
    mutual funds, 327, profiles  
    open economy, 32  
    open trade, 47–48  
    opportunity, 41  
    performance, 7–8

- Brazil (*Continued*)
- population
    - growth, 42f
    - percentage, combination, 43f
  - PPP per-capita GDP, growth, 45f
  - presidential election (1998), 36–37
  - real GDP, 46f
  - recession, 31–32
  - slavery, legacy, 27–28
  - society, change, 28
  - technology, 46–47
  - total population, children (percentage), 43f
  - transparency, Rule of Law (relationship), 50
- Brazil Russia India China (BRIC) fund profiles, 337
- Business Competitiveness Index (BCI) ranking, 286f
- Calderon Hinojosa, Felipe, 246–247
- Capitalization weighted index, 357
- Cardoso, Fernando Henrique
  - first term, 33–35
  - Plano Real, 33–34
  - privatization, 34–35
  - second term, 37
- CESC Ltd, 134
- Change, tenets, 2–7
- China
  - ADRs, 316–319
  - agriculture, shift, 173
  - ancient history, 150–152
  - automobile capacity, 172
  - banking
    - reform, 163–164
    - system, 182–185
  - banks, 189
  - basic materials, 192
  - capitalization, opportunities, 186t
  - cash crops, 161
  - corruption, 180
  - cultural revolution, 156–158
  - data profile, 275–277
  - demographics, 169–171
  - digital electronics, 175–176
  - economic experimentation,
    - encouragement, 162–163
  - economic performance, 171–175
  - education/training, 180–181
  - environment, 178–179
  - examination, 346–347
  - external debt, 185
  - financials, 188–189
  - financial systems/policies, 181–185
  - foreign debt, 185t
  - foreign exchange rates, 184–185
  - future, 169
  - GDP growth, 173–174
  - governance indicators, 289t
  - Great Leap Forward, 155–156
  - growth industries, 185–193
  - history, 149
  - holdings, ranking, 187
  - India, equity markets (comparison), 132–133
  - industrials, 192–193
  - inflation, 181–182
  - infrastructure development, 177–179
  - investment, 169
  - land reforms, 152–153
  - market economy, transformation, 161–162
  - middle class, growth, 171–173
  - modern history, 159
  - mutual funds, profiles, 327–330
  - oil/gas, 190–191
  - open trade, 176–177
  - performance, 9
  - politics, Deng (role), 166
  - population, aging, 170f
  - population growth, 42f
  - post-Deng years, 166–167
  - purchasing power parity, 184
  - Russia, support, 154–155
  - savings, levels, 182–183
  - seasons, change, 150–152
  - socialism, change, 164–165
  - success, consequences, 165
  - technology, 175–176
  - telecommunications, 189–190
  - Tiananmen Square, 165–166
  - trade surplus/openness, 177f
  - transparency, Rule of Law (relationship), 179–180
  - urban economy, 153–154
  - urban households, share, 172t

- urbanization, 174–175
- victory, coping, 152–156
- water supplies, 179
- wealth, share, 188t
- China Communications Construction Group Ltd., 193
- China Construction Bank, 189
- China Construction Bank (CCB), IPO, 183
- China Life Insurance, 189
- China Merchants Bank, 189
- China National Offshore Oil Corporation (CNOOC), 191
- China National Petroleum Corporation (CNPC), 191
- China Resources Enterprises, 192
- Cipla, 147
- Closed-end fund, 357–358
- Cognizant, 136
- Cold War. *See* Russia
- Colgate Palmolive India, 144
- Consumer markets, ranking. *See* World consumer markets
- Consumer Price Index (CPI), 358
- Container Corporation, 138
- Countries. *See* Nations/countries
- Crompton Greaves, 137
- Currency risk, 358
- CUSIP number, 358
  
- DAX Russia Index sector weights, 89t
- Demographics, impact, 2–3
- Diaz, Porfirio (*Porfiriato*), 237
- Diversification, importance, 264
- Divide-and-rule policy, 101–102
- Dr. Reddy's Laboratories, 147
  
- EAFE. *See* Europe Australia and Far East
- East India Company, 99–100
- Economic crisis. *See* Brazil
- Economic growth, 17–18
- Economic performance, impact, 3–4
- Economic pillars, 283–284
- Economies
  - advanced phase, 286
  - development phases, 284
  - middle phase, 286
- EDR. *See* European Depositary Receipt
  
- Education
  - impact, 6
  - investments, 19
- Efficiency enhancers, 286
- Eldorado, 93
- Embraer (*Empresa Brasileira de Aeronáutica SA*), company profile, 48–50
- Emerging markets
  - caution, 265–266
  - correlation comparisons. *See* U.S. markets
  - performance, 265t
  - volatility, 264–265
- European Depositary Receipt (EDR), 358
- Europe Australia and Far East (EAFE) Index, 358
- Exchange-trade fund (ETF), 358–359
- Expense ratio, 359
  
- FDI. *See* Foreign direct investment
- Financial systems/policies. *See* Brazil; Russia soundness, 7
- Financial Times Stock Exchange 100 (FTSE), 359
- Fiscal, term (usage), 359
- Float, 359
- Foreign direct investment (FDI), 359
- Foreign exchange, 359
- Foreign stocks (investment), ADRs (usage), 268
- Fox, Vicente, 243
  - Sexenio, 245–246
- Front-end load, 359
- FTSE. *See* Financial Times Stock Exchange 100
  
- GAIL Limited Energy Oil & Gas Operations, 134
- Gandhi, Mohandas Karamchand, 101
- Gazprom, 90
- Gazprom Neft, 91
- GCI. *See* Global Competitiveness Index
- GDR. *See* Global Depositary Receipt
- GKO bonds (short-term government bonds), issuance. *See* Russia
- Glenmark Pharmaceuticals, 147

- Global Competitiveness Index (GCI), 283  
2006–2007, 284t
- Global Depository Receipt (GDR), 360
- Godrej Agrovet Ltd., 143
- Goldman Sachs BRIC Fund, 337–338
- Gorbachev, Mikhail, 63–64  
coup, attempt, 64–66
- Governance indicators, 287
- Great Korea, building. *See* Korea
- Gross domestic product (GDP), 360
- Gross national product (GNP), 360
- Hang Seng Index, 360
- HCL Technologies, 136
- Hedge fund, 360–361
- Hindustan Construction, 138
- Hindustan Lever, 144
- Hotel Leelaventure, 142
- Housing Development and Infrastructure Ltd., 138
- Hyundai Motor Industrial Company, 226–227
- Ikea, 93
- Index fund, 361
- India  
ADRs, 305–315  
agriculture, shift, 115–116  
automobile market, 140–141  
basic materials, 138–139  
biotech innovation, 121  
Britain, financial impact, 99–100  
businesses, success, 109–110  
cell phones, usage, 117  
chemicals, 139  
civilization, origins, 95–96  
construction/engineering/heavy industry, 138  
consumer discretionary sector, 139  
consumer staples, 144  
currency, exchange rates, 129  
data profile, 273–275  
demographics, 111–113  
divide-and-rule policy, 101–102  
drama, 105  
economic performance, 113–116  
economic reform, 106  
economy  
awakening, 103–105  
obstacles, 107–108  
education/training, 128  
energy/utilities/power, 133–148  
entertainment (TV/movies), 143–144  
equity markets, comparison. *See* China  
examination, 345–346  
external debt, 130  
eye care, 147–148  
financials, 132  
financial systems/policies, 128–130  
fiscal control, 130  
foreign direct investment (FDI), 124  
Gandhi, appearance, 101  
GDP growth, 113–115  
governance indicators, 288t  
growth industries, 130–132  
health care, 145–146  
companies, 147  
innovations, 147–148  
history, 95  
hotel developers, 142  
IMF, impact, 108–109  
independence  
achievement, 102–103  
challenge, 100  
index sector weights. *See* MSCI India  
Index sector weights  
industrials, 136–137  
inflation, 129–130  
information technology, 121–123,  
134–136  
performance, highlights, 136t  
infrastructure development, 124–126  
finance corporation, 137  
investment, 111  
law and order governance indicator,  
127t  
leaders/invaders, 96–98  
medical tourism, 120  
middle class, growth, 113  
modern history, 107  
monetary policy, 129  
Mughals, impact, 98–99  
Muslim invasions, 98  
mutual funds, profiles, 330–332  
nation, awakening, 100–101  
open trade, 123–124  
outsourcing, 118–120  
performance, 8–9  
pharmaceutical/biotechnology market,  
146–147

- population growth, 42f
- power, 111
- privatization, 124
- religion, rise, 96–97
- retailing, 142–143
- securities market, 130
- technology
  - expansion, 116–117
  - penetration, 117–118
- Toyota, involvement, 140
- transparency, Rule of Law (relationship), 126–128
- transportation, 137–138
- travel/hospitality, 142
- urbanization, 116
- 44-145India
  - telecommunication services, 1
- India Airlines, 142
- India Hotels Company Ltd. (IHCL), 142
- Industrial & Commerce Bank of China, 189
- Inequality measures, 252t
- Inflation rate, 361
- Infosys Technologies, 118–119, 135
- Infrastructure development, impact, 5–6
- International Monetary Fund (IMF), 361
  - impact. *See* India
- Investment
  - capital, inflows, 18–19
  - long-term focus, 264
  - returns, relationship. *See* Success factors
  - timing, unimportance, 264–265
- Investor opportunities, 23
- ION Exchange, 139
- ITC, 144
- Jaiprakash Construction, 138
- Jaipur foot, development, 148
- Jet Airways, 138, 142
- Jubilant Organosys, 139
- Kingfisher Airlines, 138, 142
- Korea. *See* South Korea
- Korus FTA, 219
- Larsen & Toubro, 138
- Larsen & Turbo, 137
- London Interbank Offered Rate (LIBOR), 361
- Lukoil, 91
- Lula da Silva, Luiz Inácio, 37–39
  - reelection, 38–39
- Maanshan Iron & Steel, 192
- Mahindra & Mahindra, 142
- Market, investment, 13
  - advice, 263
  - development, diversification benefits, 22
- Markets
  - examination, 341
  - experts, interviews, 341
  - external/internal shocks, caution, 267–268
  - modern history, examination, 268
  - volatility. *See* Emerging markets
- Maruti Udyog, Ltd., 142
- Metro AG, 93
- Mexican-American War, 235
- Mexican Revolution (1910–1921), 237–238
- Mexico
  - ADRs, 323–325
  - auto parts/components market, 360
  - civil war, 235–237
  - colonial period, 231–232
  - consumer products (staples/discretionary) market, 260–261
  - data profile, 279–288
  - democracy, 243
  - demographics, 250–251
  - early history, 229–232
  - economic crisis/recovery, 240–241
  - economic performance, 251–253
  - economic prosperity, 243–244
  - education/training, 256–257
  - examination, 350
  - financial systems/policies, 257–258
  - free economy, 243
  - GDP growth, 251–253
  - governance indicators, 290t
  - growth industries, 258–261
  - history, 229
  - independence, 232–235
  - industrials, 261
  - infrastructure development, 255–256
  - investment, 249
  - materials, 259–260

- Mexico (*Continued*)  
 middle class, 251–253  
 miracle. *See* Milagro Mexicano  
 mutual funds, profiles, 332–333  
 open trade, 254–255  
 performance, 10  
 pharmaceuticals, 261  
 political reforms, 244–245  
 post-independence, 234  
 post-revolutionary years, 239–240  
 reform, 235–237  
 Santa Anna, 234–235  
 Spanish conquest, 230–231  
 technology, 253–254  
 telecommunication services, 259  
 Tortilla crisis, 246–247  
 transparency, Rule of Law  
 (relationship), 256  
 travel/tourism market, 260  
 Milagro Mexicano, El (Mexican Miracle),  
 239–240  
 Millennium Bug phenomenon, 134–135  
 Minmetals Development, 192  
 Monetary policy, 361  
 MSCI Brazil Index sector weights, 52t  
 MSCI China Index sector weights, 186t  
 MSCI India Index sector weights, 131t  
 MSCI Mexico Index sector weights,  
 258t  
 MSCI Russia Index sector weights, 89t  
 MSCI South Korea Index sector weights,  
 225t  
 Mughals, impact. *See* India  
 Muslim invasions. *See* India  
 Mutual funds, 361–362  
 investment, examination, 267  
 profiles, 327  
 Nagarjuna Construction Co. Ltd., 138  
 National debt, 362  
 National financial systems, 18  
 Nations/countries  
 investment, 14–15  
 phase emphasis, 284t  
 profiles, 269  
 quality, 7–10  
 scores/ranking, 285t  
 selection, importance, 263  
 stock portfolio allocation, 266–267  
 Nehru, Jawaharlal, 103  
 Nestle India, 144  
 Net asset value (NAV), 362  
 Nicholas Piramal India Ltd., 147  
 Nikkei Index, 362  
 NIT, 122  
 No-load fund, 362  
 Norilsk Nickel, 94  
 NTPC, 134  
 OECD. *See* Organization for Economic  
 Cooperation and Development  
 Oil & Natural Gas Corporation, 134  
 Open-end fund, 362–363  
 Open Investment (financial service  
 company), 93  
 Organization for Economic Cooperation  
 and Development (OECD), 363  
 Pantaloon Retail India Ltd., 143  
 Patni Computer Systems, 136  
*Plano Real*. *See* Cardoso  
 Political risk, 363  
 Portfolio managers, interviews, 341  
 Potential return, search, 15–19  
 Privatization, 363  
 Productivity, 363  
 Profit-making, 10–11  
 Prospectus, 363–364  
 Purchasing power parity, 364  
 Putin, Vladimir, 75–77  
 Pyaterochka, 93  
 Rao, Narashimha, 108  
 Real GDP, 364  
 change, estimation, 21t  
 Reliance Communications, 145  
 Reliance Energy, 134  
 Reliance Industries, 137  
 Rosneft Oil, 91  
 Rule of Law. *See* Brazil  
 impact, 6  
 Russia  
 ADRs, 298–304  
 agriculture, shift, 82  
 Asian financial crisis, impact, 72–74  
 Bolsheviks, power consolidation,  
 59–60  
 cellular telecommunications, 91

- Cold War, 62
  - collectivization, 60–61
  - constitutional crisis (1993), 66
  - consumers, impact, 93
  - demographics, 79–80
  - domestic disturbance, 70–72
  - economic crisis (1980–1990), 62–63
  - economic crisis (1998)
    - initiation, 74
    - intervention, 73–74
  - economic performance, 81–83
  - economic problems, 66–68
  - economy, change, 79–80
  - education/training, 87–88
  - election (1996), 68
  - environment, 85–86
  - examination, 343–345
  - financial crisis, 72–74
  - financials, 92
  - financial systems/policies, 88
  - GDP growth, 81–82
  - GKO bonds (short-term government bonds), issuance, 73
  - governance indicators, 288t
  - government
    - change, 75–77
    - no confidence vote, 71–72
  - Great Terror, 60–61
  - growth, problems, 69
  - growth industries, 88–94
  - history, 57
  - index sector weights. *See* DAX Russia
    - Index sector weights; MSCI Russia
    - Index sector weights
  - infrastructure development, 84–86
  - middle class, growth, 81
  - mining/metals, 93–94
  - modern history, 69
  - mutual funds, profiles, 333–334
  - natural gas, 90–91
  - oil, 91
  - open trade, 84
  - performance, 8–9
  - prerevolutionary period, 57–59
  - problems, 58–59
  - reforms, 63–64
  - resources, 79
  - revolution, 59–61
  - rubles, purchase, 74–75
  - Russian Federation, data profile, 271–273
  - support. *See* China
  - technology, 83
  - transparency, Rule of Law (relationship), 86–87
  - urbanization, 82–83
  - USSR
    - dissolution, 64–66
    - rise, 59–61
  - World War I, 59–61
  - World War II, 61–62
- 
- Samsung Group, 216–217
  - Santa Anna. *See* Mexico
  - Satyam Computer Services, 136
  - Sberbank, 92
  - Securities and Exchange Commission (SEC), 364
  - Sexenio. *See* Fox
  - Shanghai Construction Group General Co., 193
  - Sharpe ratio, 365
  - Short-term government bonds, issuance. *See* Russia
  - Sical Logistics Limited Air India, 138
  - Sinopec, 191
  - South Korea, 195
    - ADRs, 320–322
    - agriculture, shift, 213–214
    - automobile market, 226
    - banking, 223–224
    - colonial period, 195–196
    - consumer products, 226
    - data profile, 277–279
    - debt service ratios, 224t
    - demographics, 212–213
    - division, 196–197
      - violence, 198–199
    - economic growth, 199–200
      - problems, 201–202
    - economic performance, 213–216
    - economic restructuring, 208–209
    - economy, durability, 207–209
    - education/training, 222
    - examination, 347–350
    - expansion, 200–201
    - financial crisis (1997–1998), 206–207
    - financials, 228

- financial systems/policies, 222–224
- foreign borrowing, 223f
- GDP growth, 214
- governance indicators, 289t
- Great Korea, building, 202–203
- growth industries, 224–228
- growth rates, 215t
- history, 195
- industrials, 227–228
- infrastructure development, 220
- investment, 211
  - obstacles, 219–220
- legal system, 221–222
- materials, 225–226
- middle class, 213
- modern history, 205
- mutual funds, profiles, 334–335
- net foreign currency assets, 223f
- open trade, 218–220
- performance, 9–10
- poverty/prosperity, 199–202
- productivity growth trend, 215f
- profits, 211
- reforms, 205–207
- republic, 196–197
- robots, creation, 328
- technology expansion, 216–217
- telecommunication services, 225
- transparency, Rule of Law
  - (relationship), 220–221
- South Korea, index sector weights. *See* MSCI South Korea Index sector weights
- SPDR Standard & Poor's BRIC 40 Exchange-Traded Fund, 338
- Sportmaster, 93
- Stalin, Joseph, 60–61
  - collectivization/Great Terror, 60–61
- Standard deviation, 365
- Stock portfolio, allocation. *See* Nations
- Success factors, investment returns
  - (relationship), 19–22
- SUN Interbrew, 93
- Sun Pharmaceuticals Ltd., 147
- Tata Communications, 145
- Tata Consultancy Services, 135
- Tata Group, 141
- Tata Motors Ltd., 140–142
- Tech Mahindra, 136
- Technology, impact, 4–5
- Templeton BRIC Fund, 338–339
- Tiananmen Square. *See* China
- Timing, unimportance. *See* Market
- Tortilla crisis. *See* Mexico
- Training, impact, 6
- Transparency, impact, 6
- Trent Ltd., 143
- Ultratech India Limited, 139
- Unified Energy Systems, 91
- U.S. markets
  - emerging markets, correlation comparisons, 365t
  - performance, 265t
- Vargas, Getúlio, 28–30
  - industrialization, beginnings, 29–30
- Videocon Appliances Ltd., 143
- Wimm-Bill-Dann, 93
- Wipro Technologies, 120–121, 135
- World Bank, 365
  - dependency ratios, 80t, 250t
- World consumer markets, ranking, 114f 115f
- World Economic Forum (WEF). *See* Global Competitiveness Index Report (2007), 286t
- World Economic Forum (WEF), technology rankings, 254t
- World Trade Organization (WTO), 365
- World War I. *See* Russia
- World War II. *See* Russia
- Xiaoping, Deng, 160–166
- Yeltsin, Boris
  - cabinet, resignation, 70–71
  - constitutional crisis, 66
  - reforms, 65–66
- ZeeTee Films, 144