



## MSCI Launches Crowding Model Solution to Provide Institutional Investors With Daily Financial Traffic Data

June 29, 2021

*The new solution helps active managers analyze their investments compared to the industry as a whole and make better informed, timely decisions about potentially crowded or uncrowded trades*

NEW YORK--(BUSINESS WIRE)--Jun. 29, 2021-- MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, today launched the MSCI Crowding Model solution to help institutional investors navigate crowded markets by providing high quality, timely information and data to inform their decision making in achieving their investment objectives.

The MSCI Crowding Model is built into an easy-to-use dashboard and helps identify crowded, neutral or uncrowded scenarios across individual securities, factors and hedge fund holdings. This enables investors to assess their own exposure to crowdedness and gain insight as to how the rest of the market is positioned.

The solution comes at a time where market sentiment can fluctuate wildly, possibly causing concentrations in investment managers' holdings or trading styles. This can lead to higher volatility, diminishing returns, and potential liquidity and drawdown risks for investors. MSCI's models are designed to enable investors to identify potential bubbles and assess:

- **Security crowding:** MSCI Security Crowding measures the degree to which a stock has been chased by investors.
- **Factor crowding:** The MSCI Factor Crowding Model allows investors to examine Factor Crowding over time using multiple dimensions that provide further insight into risk and return drivers.
- **Hedge fund crowding:** Measures hedge fund positioning and potential crowding around stocks, leveraging MSCI proprietary data sources providing transparency, global coverage and more frequent datasets

The launch of this service reflects the increasing demand for customized, targeted, and daily investment analytics. MSCI models infer the relative degree of crowdedness by examining a dynamic set of metrics incorporating holdings, pricing and return-based information that are sensitive to large amounts of capital following the same strategies.

"Expanding and evolving our analytical capabilities and offerings is a priority for MSCI as we continue our mission to be at the forefront of innovation. The launch of the Crowding Model solution is a testament to this as it aims to provide investors for the first time the opportunity to quickly assess crowding activity and risk," **said Jorge Mina, Head of Analytics at MSCI.** "This solution underlines our systematic and process-oriented approach in providing information at the right time to help investors gain transparency and make better investment decisions. Our Crowding solutions serve as a navigator for an investment journey that provides quality data and information to enable investors to achieve their objectives."

### About MSCI Inc.

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data, and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

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