

## MSCI Inc. Quarterly Update

July 27, 2021

### Addressing the Needs of Clients and Client Segments

- MSCI remains well-positioned to deliver mission-critical content investors need to build better portfolios for a better world.
- During the quarter:
  - CalSTRS adopted a Custom MSCI ACWI IMI index as their global policy benchmark, which also displaced their prior U.S. domestic benchmark. The primary reason was to simplify their benchmarking process by moving away from a weighted calculation of separate U.S. and non-U.S. indexes. Using one index also provides greater consistency, simplifies performance attribution and better reflects their goal to target and manage active risk.
  - Asset owners and asset managers continued to select our climate tools to monitor climate risk, perform carbon emissions modeling, identify investment exclusions and analyze warming potential, among many other use cases, as well as use our climate indexes as performance benchmarks.
  - Wealth managers continued to adopt our ESG Research data and Analytics portfolio reporting capabilities.
  - Insurance firms continued to find use cases for our ESG & Climate tools, including modeling climate risk scenarios for risk management and solvency assessments, and also selected our Climate-Value-at-Risk offering within our Real Estate segment.

### Launching Innovative Solutions

- Expanded SFDR Reporting Solutions: In July, we expanded our toolkit of climate data and reporting capabilities to help investors meet the requirements of the European Union (EU) Sustainable Finance Disclosure Regulation (SFDR). This toolkit will support investors need to meet their regulatory obligations and includes, or will add, issuer-level data, regulatory reporting and portfolio analytics solutions, multi-asset class coverage, index-level metrics and ESG-fund level metrics.
- MSCI ACWI IMI Net-Zero Tracker: In July, we published the MSCI Net-Zero tracker, which provides a quarterly gauge of progress towards achieving net zero goals across a global universe of 9,300 publicly listed companies based on the MSCI All Country World Investable Market Index (MSCI ACWI IMI). The Net-Zero Tracker brings new levels of transparency to investors and policymakers regarding listed companies' actions on climate, providing aggregate progress on temperature alignment as well as highlighting industry leaders and laggards.
- MSCI Crowding Model: In June, we launched the MSCI Crowding Model 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 employed through an easy-to-use dashboard and helps identify crowded, neutral or uncrowded scenarios across individual securities, factors and hedge fund holdings.
- Private Infrastructure Modeling Service: In May, we launched our Private Infrastructure Modeling Service to help investors profile the risk of complex private infrastructure holdings and provide data-

driven insights to inform investment decisions. Built using private infrastructure data provided by The Burgiss Group and MSCI Real Estate, the service is designed to give investors the tools and confidence to further expand their private asset portfolios and benefit from the return and diversification potential of private infrastructure investment opportunities.

### Enhancing Capabilities

- Collaboration with Goldman Sachs: MSCI's industry-leading risk factor models are now accessible through Goldman Sachs Marquee, a digital platform for institutional investors. Likewise, MSCI clients are now able to access Goldman Sachs' volatility data through MSCI RiskManager for greater precision in risk management. MSCI's risk factor models will be available via Goldman Sachs APIs and GS Quant, an open-source Python toolkit designed by the firm's quantitative analysts to rapidly and seamlessly integrate data.
- Partnership with Income Analytics: MSCI entered into a distribution agreement with Income Analytics, a data technology firm that provides investors with proprietary global rental default risk measures on commercial real estate income (the INCANS Scores) at tenant, asset, fund and portfolio levels. MSCI intends to embed INCANS Scores in its Real Estate offerings. The ability to better understand the drivers of capital growth and valuation movement across more markets and to link tenancy risks with performance measurement and broader risk metrics will help our clients develop a greater understanding of their portfolios.

## 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. To learn more, please visit [www.msci.com](http://www.msci.com).

## FORWARD-LOOKING STATEMENTS

This quarterly update contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause MSCI's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential" or "continue," or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond MSCI's control and that could materially affect actual results, levels of activity, performance or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the Securities and Exchange Commission ("SEC") on February 12, 2021 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if MSCI's underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this quarterly update reflects MSCI's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI's operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.