

## MSCI Inc. Quarterly Update

October 27, 2020

### Continued Progress Across Product Areas

- **New fixed income indexes:** We continue to develop our fixed income index suite with the launch of 22 new indexes, including climate change indexes, and the extension of our factor and ESG indexes to EUR currency. With this launch, we now offer the market a total of 40 fixed income indexes across ESG, climate, factor, and issuance-weighted classifications; across USD and EUR currencies; and across both investment grade and high yield debt.
- **Tool to help investors assess alignment to UN Sustainable Development Goals (SDG):** MSCI launched the MSCI SDG Alignment tool to help investors assess their exposure and alignment to the United Nations Sustainable Development Goals (UN SDGs). The tool is available through MSCI's ESG Manager platform. It allows investors to better measure and report on the degree of SDG alignment in portfolios, develop SDG-themed investment products, comply with client mandates on the SDGs, identify companies that are better aligned with the SDGs, and aims to meet the rising demand to channel capital towards addressing the objectives of the global goals. The model provides 17 SDG Net Alignment scores and assessments for each of the UN SDGs on a scale from Strongly Aligned to Strongly Misaligned.
- **MSCI Brazil Property Index:** MSCI recently expanded its range of emerging market tools and solutions for investors with the launch of the MSCI Brazil Property Index. The new index is designed to bring transparency and consistent measurement to the Brazil property market, tracking the performance of 91 property investments with history dating back to December 2018. The index was created following extensive investor consultation and demand for access to benchmarking capabilities in the Brazil property market.
- **Expansion of megatrend indexes:** To address institutional investor demand to realign their portfolios to reflect disruptive technologies, we have launched two additional thematic indexes focusing on accelerating change and future education. We now have a suite of 16 megatrend indexes as well as custom thematic indexes in innovation-focused themes such as autonomous technologies, genomics, fintech, and next generation internet.

### Expanded Distribution of MSCI Content and Tools

- **MSCI ESG ratings and data on Bloomberg terminals:** MSCI ESG ratings and data are now available on the Bloomberg terminal. We are excited to provide access to comprehensive sophisticated ESG analysis and ratings of more than 8,500 companies and 680,000 equity and fixed income securities.
- **Partnership with J.P. Morgan:** MSCI partnered with J.P. Morgan to offer Liquidity Risk Reporting capabilities to institutional clients through J.P. Morgan's open platform for asset managers.
- **Expanded partnership with Refinitiv:** MSCI expanded its partnership with Refinitiv to enable the distribution of MSCI liquidity analytics through Eikon. This is the third service that we will be offering through Eikon: risk analytics, optimization, and now liquidity.

- Redistribution agreement with Equity Data Science (EDS): MSCI signed a redistribution agreement with EDS, expanding MSCI’s market reach to fundamental managers. The partnership enables EDS to provide to its hedge fund clients MSCI FaCS, a factor classification standard designed to give investors the essential tools and common language for implementing factor investing strategies. The agreement also enables MSCI to offer those clients security-level factor risk.

### **Addressing Client Needs**

- MSCI remains well-positioned to deliver the mission-critical content needed to implement systematic and sustainable strategies efficiently.
- During the quarter:
  - We licensed an MSCI thematic index for circular economy and renewable energy to a European bank to create a new OTC swap, which will also drive structured product issuance in Europe.
  - Our broker dealer clients created new OTC products in the form of total return swaps linked to our MSCI ESG Leaders indexes. This activity was soon followed by new positions in listed futures derivatives on MSCI Emerging Markets ESG Leaders index.
  - We completed several sales of Real Estate Climate Value-at-Risk (Climate VaR), a forward-looking and return-based valuation assessment to measure climate-related risks for real estate assets in an investment portfolio, which was previously launched in June 2020.
  - We completed several recurring subscription sales to EMEA-based wealth managers to provide them tools for portfolio construction use cases related to climate and ESG implementation.

## About MSCI Inc.

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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, 2019 filed with the Securities and Exchange Commission ("SEC") on February 18, 2020 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.