

MSCI Inc. Quarterly Update

July 23, 2024

MSCI remains well-positioned to deliver the mission-critical tools, solutions and content investors need to build more effective portfolios. Since the start of the second quarter, we executed on the following actions to advance our product capabilities and address the needs of our clients.

Addressing the Needs of Clients and Client Segments

- Launch of MSCI GeoSpatial Asset Intelligence to Help Asset Managers, Banks and Insurers Identify and Manage Physical Risks: MSCI GeoSpatial Asset Intelligence helps asset managers, banks and insurers understand location-based risks and opportunities across their corporate and real estate portfolios or loan books, with coverage of 70,000 public and private companies and over 1 million asset locations. MSCI GeoSpatial Asset Intelligence will enable investors to gain insight from detailed, company-linked asset location data worldwide; conduct analysis into asset-level details; better evaluate the effects of extreme weather and chronic hazards; explore exposure to nature-related risks at the location level; and report and manage financial risk and impact exposure. This new solution leverages our expertise in artificial intelligence (AI) and partnership with Google Cloud for data collection and mapping.
- Helping Credit Investors Including Insurers Achieve Sustainability Goals with Launch of MSCI Fixed Income Glidepath Indexes: We recently launched a new suite of nine MSCI Glidepath Corporate Bond Indexes for USD and Euro currencies, designed to support clients in transitioning their current portfolios to align with specific sustainability objectives like improved emissions or higher ESG Score while avoiding high turnover and minimizing transaction costs. The MSCI Glidepath Corporate Bond Indexes employ a strategic combination of target factors to gradually transition a Parent Index towards one with enhanced characteristics based on these factors. The transition process involves the reallocation of cash into securities that are aligned to the target factors.

Launching and Enhancing Innovative Solutions and Products

- Launch of MSCI Private Capital Indexes: These 130+ closed-end fund indexes complement our current 80+ real asset fund and property indexes to provide a more comprehensive view of private markets for investors. Limited Partners and General Partners can use these indexes to help assess the risk-return characteristics of their portfolios and as a performance benchmark for portfolios.
- Launched MSCI AI Portfolio Insights and Macro Finance Analyzer to Help Asset Managers, Asset Owners and Hedge Funds Further Integrate Risk Considerations: MSCI AI Portfolio Insights combines generative artificial intelligence (“GenAI”) with our analytics tools and advanced modelling technologies. This tool will enable Asset Managers, Asset Owners and Hedge Funds to proactively integrate risk into investment decisions. AI Portfolio Insights will help investors identify outliers in portfolios and investigate the drivers of risk and return through a GenAI powered chat agent.

We also launched Macro Finance Analyzer which will enable investors to test how changes to macroeconomic conditions could affect a portfolio’s risks and returns across asset classes. Asset Managers can test a wide variety of economic conditions, with the ability to adjust expectations for rapidly evolving market events and trends to help inform strategic asset allocation decisions and capital market assumptions.

- Launched MSCI Resilient Future Indexes with focus on Clean Energy Solutions: MSCI Resilient Future Indexes are designed for investors focused on energy transition and technological innovation, further expanding the range of MSCI Climate and Thematic Indexes. The indexes aim to represent the performance of a set of companies engaged in developing new products and services focused on one or several themes including Clean Energy Solutions, Alternative Food & Agriculture, Water Solutions and Natural Capital Protection. These indexes will enable asset managers and banks to issue ETF and structured products that embed climate transition into the investment objectives.
- Launched MSCI Europe Quarterly Private Real Estate Debt Fund Index: During the quarter, we launched Europe’s first real estate debt fund index. This index aims to measure the performance of unlisted debt funds involved in European real estate lending, providing a view into the performance of the European private real-estate debt fund market. The Index measures closed-end and open-end vehicles, senior, whole loan and mezzanine debt.

Enhancing Our Data and Technology Capabilities through Partnerships and Acquisitions

- Strategic Partnership with Moody’s to Enhance Transparency and Deliver Data-Driven Risk Solutions: In July 2024, we announced a strategic partnership with Moody’s to offer MSCI’s ESG and sustainability data to Moody’s broad base of global customers. With access to MSCI data, Moody’s intends over time to migrate its existing ESG data and scores to offering MSCI’s sustainability content through a range of solutions serving Moody’s customers in the banking, insurance and corporate sectors. MSCI will gain access to Moody’s Orbis database, with data on more than 500 million entities, to extend its private company ESG coverage. In addition, MSCI and Moody’s will explore solutions that leverage Moody’s private company data and credit scoring models to provide greater insight into the private credit market.

Key Highlights During the Quarter

- At quarter-end, we observed all-time high AUM balances of \$1.63 trillion in Equity ETF products linked to MSCI Indexes and \$3.6 trillion in AUM balances in non-ETF products linked to MSCI indexes.
- ETF products linked to MSCI Indexes captured their highest quarterly cash flows in over two years, with over \$28 billion of inflows, primarily reflecting strength in products with geographic exposures in Emerging Markets and non-U.S. Developed Markets.
- During the quarter, MSCI was recognized with several awards and recognitions:
 - MSCI was recognized as the **“Best ETF Index Provider”** at the InsuranceAsia News Institutional Asset Management Awards 2024.
 - MSCI won **“Best Index Provider”** at the SRP Awards 2024, marking our second consecutive year of this recognition.

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.

About MSCI ESG Research Products and Services

MSCI ESG Research products and services are provided by MSCI ESG Research LLC, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. ESG ratings, data and analysis from MSCI ESG Research LLC are also used in the construction of the MSCI ESG Indexes which are not subject to our SEC registration. MSCI indexes are products of MSCI Inc., and MSCI Limited is the benchmark administrator. MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

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, 2023 filed with the Securities and Exchange Commission (“SEC”) on February 9, 2024 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.