UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

Commission file number 001-33812

MSCI INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	13-4038723
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

7 World Trade Center
250 Greenwich Street, 49th Floor
New York, New York 10007
(Address of Principal Executive Offices, zip code)

(212) 804-3900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
YES ☐ NO ☒

The aggregate market value of Common Stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter (based on the closing price of these securities as reported by The New York Stock Exchange on June 30, 2015) was $6,693,433,307. Shares of Common Stock held by executive officers and directors of the registrant are not included in the computation. However, the registrant has made no determination that such individuals are "affiliates" within the meaning of Rule 405 under the Securities Act of 1933.

As of February 19, 2016, there were 98,786,211 shares of the registrant's Common Stock, par value $0.01 per share, outstanding.

Documents incorporated by reference: Portions of the registrant's proxy statement for its annual meeting of stockholders, to be held on April 28, 2016, are incorporated herein by reference into Part III of this Form 10-K.

MSCI INC.

FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2015

TABLE OF CONTENTS

Except as the context otherwise indicates, the terms "MSCI," the "Company," "we," "our" and "us" refer to MSCI Inc. together with its subsidiaries.

FORWARD-LOOKING STATEMENTS

We have included in this Annual Report on Form 10-K and from time to time may make in our public filings, press releases or other public statements, certain statements that constitute forward-looking statements. In addition, our management may make forward-looking statements to analysts, investors, representatives of the media and others. These forward-looking statements are not historical facts and represent only MSCI's beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

In some cases you can identify these statements by forward-looking words such as "may," "might," "should," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "potential," "continue," "believes" and similar expressions, although some forward-looking statements are expressed differently. Statements concerning our financial position, business strategy and plans or objectives for future operations are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict and may cause actual results to differ materially from the forward-looking statements and from management's current expectations. Such risks and uncertainties include those set forth under "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K. The forward-looking statements in this report speak only as of the time they are made and do not necessarily reflect our outlook at any other point in time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or for any other reason. Therefore, readers should carefully review the risk factors set forth in other reports or documents we file from time to time with the Securities and Exchange Commission (the "SEC").

PART I

Item 1. *Business*

Overview

MSCI offers content, applications and services to support the needs of institutional investors throughout their investment processes. Clients look to us for an integrated view of the drivers of risk and return in their portfolios, broad and deep asset class coverage, quality data, an objective perspective and innovation.

MSCI clients include asset owners (pension funds, endowments, foundations, central banks, family offices and insurance companies), asset management firms (mutual funds, hedge funds, providers of exchange-traded funds ("ETFs")), private wealth managers and financial intermediaries (banks, broker-dealers, exchanges, custodians, trust companies and investment consultants).

We provide products and services that support global investing and for decades have helped institutional investors address challenging investment and risk problems. Equity factor investing was pioneered in the 1970s based on research, data and analytics developed by Barra – part of MSCI since 2004. We continue to innovate in the development of indexes and analytical models; provision of ratings and analysis that enables institutional investors to integrate environmental, social and governance ("ESG") factors into their investment strategies; and analysis of real estate in both privately and publicly owned portfolios.

Clients use our content and applications to help construct portfolios and allocate assets. Our analytical tools help them measure and manage risk across all major asset classes. Our powerful computational and reporting engine can process large multi-asset class portfolios on an intra-day basis. We offer clients the flexibility to tailor MSCI products and services and integrate them into their own workflows.

Primary Uses of MSCI Products and Services

Institutional investors use MSCI's offerings to achieve a wide range of objectives.

Benchmarking—Institutional investors worldwide use indexes from MSCI to evaluate the performance of their funds. MSCI indexes are among the most widely used benchmarks for multi-country passive and active equity strategies worldwide.

Index-linked product creation—MSCI indexes are used as the basis for products such as ETFs. MSCI is a leading provider of equity indexes to the equity ETF industry, with approximately 800 ETFs based on MSCI equity indexes listed around the world.

Portfolio construction—Asset managers use our research, data and multi-asset class and multi-currency models to help build portfolios and allocate assets. Our global equity content sets provide tools for portfolio optimization and back-testing. Asset managers also construct portfolios by replicating or tracking MSCI indexes.

Risk management—MSCI's tools for statistical analysis provide clients with a broad range of risk calculations on a daily and weekly basis. One of our best-known statistical models calculates Value at Risk ("VaR"), which estimates the largest possible loss that could be incurred in a portfolio at a specific confidence level over a given period of time. We offer an extensive library of stress testing scenarios that enable clients to design and run stress tests that reflect their own investment parameters.

ESG integration—MSCI ESG Research provides in-depth ratings and analysis of ESG-related business practices of thousands of companies worldwide. Our ratings and analysis can help institutional investors pursue their sustainable long-term investing goals and uncover risks and opportunities that traditional investment research may not detect.

Performance attribution—MSCI offers a suite of performance attribution models with which to analyze the sources of portfolio performance on an absolute or relative basis. Our tools are multi-asset class and multi-currency, and we collect market and asset data daily. A streamlined workflow makes attribution reporting intuitive and efficient.

Regulatory reporting—We help institutional investors comply with regulatory reporting requirements around the world. Our processing capability enables us to create and implement a broad range of customized reports.

Our Business Model

Our principal business model is to license annual, recurring subscriptions to our products and services for an annual fee, paid up-front. Fees may vary by product or service, number of users or volume of services. Recurring subscriptions include MSCI's managed services offering, whereby we oversee the production of risk and performance reports on behalf of clients.

We also derive revenue from clients who use our indexes as the basis for index-linked investment products such as ETFs or as the basis for passively managed funds and separate accounts. These clients commonly pay us a license fee for the use of our intellectual property based on the assets under management ("AUM") in their investment product.

Certain exchanges use our indexes as the basis for futures and options contracts and pay us a license fee for the use of our intellectual property based on their volume of trades.

Clients also subscribe to periodic benchmark reports, digests and other publications associated with our real estate products.

We also realize one-time fees related to customized reports, historical data sets, and certain implementation and consulting services, as well as from certain products and services that are purchased on a non-renewal basis.

Revenues for the year ended December 31, 2015 totaled $1,075.0 million, up 7.9% from the prior year period. Sources of revenue consisted of $857.5 million in recurring subscriptions, $198.0 million in revenue from asset-based fees, and $19.5 million in non-recurring revenue.

Our Product Segments

MSCI operates in four segments: Index, Analytics, ESG and Real Estate. Because the operating segments of ESG and Real Estate do not meet segment disclosure reporting thresholds, ESG and Real Estate are combined and presented as part of the All Other segment for reporting purposes. This segment structure reflects a change that we made to our reportable and operating segments during the year ended December 31, 2015 to better align our financial reporting with how our products and services are offered to our clients, as well as to offer additional insight into how the Company is being managed. See Note 1, "Introduction and Basis of Presentation," and Note 13, "Segment Information," of the Notes to Consolidated Financial Statements included herein for additional information on our current segment reporting structure.

The following table presents operating revenue and Adjusted EBITDA by reportable segment for the year ended December 31, 2015:

	Year Ended December 31, 2015			
	Operating Revenues	Percentage of total (%)	Adjusted EBITDA(1)	Percentage of total (%)
	(in thousands)			
Index	$ 558,964	52.0%	$ 392,987	81.6%
Analytics	433,424	40.3%	95,468	19.8%
All Other	82,625	7.7%	(6,758)	(1.4%)
Total	$1,075,013	100.0%	$ 481,697	100.0%

(1) See Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" for the definition of Adjusted EBITDA and discussion of Adjusted EBITDA and Segment Results.

Index Segment

MSCI's indexes are used in many areas of the investment process, including index-linked product creation and performance benchmarking, as well as portfolio construction and rebalancing, and asset allocation. MSCI currently calculates over 180,000 global equity indexes and approximately 8,300 custom indexes. As of December 31, 2015, 97 of the top 100 global asset managers licensed equity indexes from MSCI (as ranked by *Pensions & Investments* ("P&I") in its report dated April 2015).

MSCI's global equity indexes are designed to measure returns across a wide variety of equity markets (*e.g.*, Europe, Japan, USA, emerging markets), sizes (*e.g.*, small and large capitalization), styles (*e.g.*, growth, value), industries (*e.g.*, banks, media), strategies (*e.g.*, active, passive, factors) and themes (*e.g.*, economic exposure). MSCI-branded ESG indexes are designed to help clients incorporate ESG considerations into their investment processes. MSCI's real estate indexes are designed to measure the performance and risk indicators of our clients against their peers.

Clients receive data directly from MSCI or from one or more third-party providers of financial information that distributed our equity index products worldwide as of December 31, 2015.

The performance of MSCI's equity indexes is also referenced frequently when selecting investment managers, assigning return benchmarks in mandates, comparing performance and providing market and academic commentary. The performance of certain of our equity indexes is reported on a daily basis in the financial media.

Products in MSCI's Index segment include:

- *MSCI Global Equity Indexes*. MSCI Global Equity Indexes are our flagship index products. As of December 31, 2015, we calculated indexes that covered more than 80 countries in developed, emerging and frontier markets, as well as various regional and country indexes built from the component country indexes. These indexes include the MSCI ACWI, MSCI World, MSCI EAFE, MSCI ACWI IMI, MSCI Emerging Market and MSCI USA Indexes. We also offer industry indexes, value and growth style indexes and large-, mid-, small- and micro-capitalization size segment indexes. We believe that MSCI Global Equity Indexes are the most widely used benchmarks by cross-border equity funds. A number of asset owners use the MSCI ACWI IMI Indexes as the policy benchmark for their equity portfolios. We also continue to enhance and expand successful product offerings, as evidenced by the launch of new indexes (*e.g.*, the MSCI Core Infrastructure Indexes, MSCI Adaptive Hedge Indexes, MSCI Adaptive Capped Indexes, MSCI Islamic Indexes M-Series, MSCI India Domestic Indexes, MSCI Indexes with the ITG Fair Value Model, and MSCI Enhanced Value Indexes) to be used as the basis for ETFs and other financial products.

- *MSCI Custom Indexes*. In recent years, MSCI has significantly increased the number of custom indexes it calculates. MSCI currently calculates approximately 8,300 custom indexes, which apply a client's criteria to an existing MSCI index. Examples of customization criteria include liquidity screening, currency hedging, tax rates, stock exclusions or special weighting. Custom indexes can reflect specific investment criteria, such as socially responsible investment requirements or regulatory constraints. They can be used for back-testing strategies or developing specialized investment products, minimizing portfolio tracking error and constructing index-linked products.

- *MSCI Factor Indexes.* MSCI Factor Indexes seek to address an emerging trend among institutional investors and asset managers whose asset allocation processes include risk groupings such as growth, income, inflation, volatility and liquidity. MSCI Factor Indexes reflect components of equity return that were once considered added value, or alpha, but that can be attributed to sources of systematic return such as value, size, quality, yield, volatility, or momentum. MSCI offers a comprehensive suite of factor index families, including the MSCI Minimum Volatility Indexes, high-exposure factor indexes (e.g., the MSCI Enhanced Value, MSCI Equal Weighted and MSCI High Dividend Yield Indexes), single high capacity factor indexes (e.g., the MSCI Quality Tilt, MSCI Dividend Tilt, MSCI Size Tilt, MSCI Momentum Tilt, MSCI Volatility Tilt and MSCI Value Weighted Indexes) and combinations of factor indexes and multi-factor indexes, such as the MSCI Diversified Multiple-Factor Indexes.

- *MSCI ESG Indexes*. MSCI ESG Indexes are designed to meet the growing demand for indexes that integrate ESG factors into benchmarks to measure performance for use by institutional investors who wish to adopt a long-term sustainable investment view. They enable clients to issue index-based ESG investment products, to benchmark the performance of ESG portfolios, and to measure and report on compliance with ESG mandates. The MSCI ESG Indexes include: Sustainability Indexes that use a selection process based on MSCI ESG Ratings; Socially Responsible Investment (SRI) Indexes that exclude companies based on certain values, norms or ethical standards; Environmental Indexes, including Low Carbon Indexes, Fossil Fuels Exclusion Indexes and benchmarks that represent the markets for renewable energy and clean technology; and custom indexes based on client-defined ESG specifications.

- *MSCI Real Estate Indexes*. MSCI's Real Estate indexes cover sectors, factors, liquidity and custom indexes that span the real estate market.

- *Global Industry Classification Standard (GICS ®)*. GICS was developed and is maintained jointly by MSCI and Standard & Poor's Financial Services, LLC, a subsidiary of The McGraw-Hill Companies, Inc. ("Standard & Poor's"). This classification system was designed to respond to clients' needs for a comprehensive, consistent and accurate framework for classifying companies into industries. GICS is widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. MSCI's equity index products classify constituent securities according to GICS. We offer GICS Direct, a joint product of MSCI and Standard & Poor's. GICS Direct is a database comprising over 44,000 active companies and more than 54,000 securities classified by sector, industry group, industry and sub-industry in accordance with the proprietary GICS methodology.

Analytics Segment

MSCI's Analytics products offer institutional investors an integrated view of risk and return. Our research-enhanced content and tools help institutional investors understand and control for market, credit, liquidity and counterparty risk across all major asset classes, spanning short, medium and long-term time horizons.

MSCI's Analytics platform includes Barra multi-factor models; pricing models; methodologies for performance attribution; RiskMetrics models for statistical analysis, such as VaR; and tools for security analysis, portfolio optimization, back testing and stress testing.

Our global risk and performance engine is built for scale, enabling clients to conduct complex simulations and stress tests.

Analytics products from MSCI include:

- *RiskMetrics RiskManager*. We believe that RiskMetrics RiskManager is an industry leader in VaR simulation and stress testing. Clients use RiskManager for daily analysis, measuring and monitoring of market and liquidity risk at fund and firm levels, sensitivity and stress testing, interactive what-if analysis, and counterparty credit exposure. RiskManager is a highly scalable platform accessed by clients via a license to a secure, interactive web-based application service, and is offered as an outsourced risk reporting service or as a web service in which a client's systems access RiskMetrics' core risk elements by connecting directly to MSCI's systems.
- *BarraOne*. BarraOne, powered by the Barra Integrated Model ("BIM"), provides clients with global, multi-asset class risk analysis using Barra's fundamental factor methodology. BarraOne also includes VaR simulation, stress testing, optimization and performance attribution modules that enable clients to manage multi-asset class portfolios, carry out risk allocation budgeting, manager monitoring, performance attribution and regulatory risk reporting.
- *Barra Portfolio Manager*. Barra Portfolio Manager is an integrated risk and performance platform that is designed to help fund managers and their teams gain additional portfolio insight, manage a more systematic investment process and make faster, more informed investment decisions. The hosted interactive user interface allows users to analyze risk and return, conduct pre-trade what-if analysis across a number of scenarios and construct portfolios using the Barra Optimizer. It also allows users to decompose the risk and attribute the return of their portfolios according to Barra models. The platform supports optional data management services that allow users to outsource the loading and reconciliation of their portfolio and other proprietary data.
- *Barra Equity Models Direct*. Barra Equity Models Direct delivers our proprietary risk data to clients for integration into their own software applications. Barra Equity Models Direct includes Barra Global Total Market Models, Barra Regional Equity Models and Barra Single Country Equity Models. The proprietary risk data in Barra Equity Models Direct is also available via third-party providers. We offer the proprietary risk data from global, regional and single country Barra risk models and most of these models are available with short-term and long-term time horizons so that clients can select the risk data that best suits their investment processes.
- *Barra Integrated Model ("BIM").* BIM provides a detailed view of risk across markets and asset classes, including currencies, equities, fixed income, commodities, mutual funds and hedge funds. It begins by identifying the factors that affect the returns of many asset classes, including equity and fixed income securities and currencies. These factors are then combined into a single global equity model that forecasts the risk of multi-asset class global portfolios.

- *Barra Aegis*. Barra Aegis is a sophisticated software application for equity risk management and portfolio analysis that is powered by our proprietary equity risk data. It is deployed by the client as a desktop application. Barra Aegis offers an integrated suite of equity investment analytics modules, specifically designed to help clients actively manage their equity risk against their expected returns. It also enables clients to construct optimized portfolios based on client-specified expectations and constraints.
- *HedgePlatform*. HedgePlatform, a reporting service, allows clients that invest in hedge funds, including funds of funds, pension funds and endowments, to measure, evaluate and monitor the risk of their hedge fund investments across multiple hedge fund strategies. MSCI collects position-level information from hedge funds on a monthly basis and provides clients with risk information for each individual hedge fund in which they invest as well as aggregate risk information for their overall portfolio of hedge funds. Clients who use RiskManager to measure the risk of their own holdings can further integrate the positions collected via our HedgePlatform service to allow computation of risk across their entire portfolio, while the confidential and proprietary nature of the underlying hedge fund holdings is maintained. HedgePlatform reports include statistics such as exposure (*e.g.*, long, short, net and gross), sensitivities, scenario analysis, stress tests and VaR analysis.
- *InvestorForce*. InvestorForce products offer performance reporting solutions to the institutional investment community in the United States by providing investment consultants with an integrated solution for daily monitoring, analysis of and reporting on institutional assets. InvestorForce products also offer clients access via a web portal to a database that includes portfolio analytics and transaction and holdings information, which is updated in real time as data is collected from custodial banks and fund managers.
- *WealthBench.* WealthBench is an investment planning platform for private banks, financial advisers, brokerages and trust companies. WealthBench assists users in delivering informed, tailored investment planning proposals for high net worth individuals reflecting their needs, goals and risk tolerances while remaining consistent with firm-driven investment and risk-based policies. WealthBench incorporates robust analytics, market-consistent inputs and transparent methodologies.
- *CreditManager*. CreditManager is a portfolio credit risk management system used primarily by banks to calculate economic capital, facilitate risk-based pricing and measure credit risk concentrations. The application is designed to consolidate and compare risks and opportunities across multiple credit exposures including bonds, credit derivatives and traditional lending.

All Other Segment—ESG

MSCI's ESG products offer research and ratings that enable institutional investors to assess risks and opportunities arising from ESG issues, as well as evaluate both individual securities and investment portfolios. MSCI develops screening and modeling tools that allow users to align investments with a set of ESG values such as perceptions of certain business activities, religious views or international norms; generate buy/restricted lists of companies that meet those criteria; understand the implications of restrictions on portfolios; and examine company specific profiles. The tools also include the ability to monitor a company's adherence to internationally recognized norms and principles. Subscribers to MSCI ESG Research included 47 of the top 50 global asset managers, as of December 31, 2015 (as ranked by P&I in its report dated April 2015).

ESG products from MSCI include:

- *MSCI ESG Research*. MSCI ESG Research has a dedicated, in-house ESG research team, which enables MSCI to control, monitor and manage data quality. Our research analysts assess thousands of data points across 34 ESG issues, covering more than 5,900 global companies in more than 70 sectors, including more than 150 fixed-income issuers, as of December 31, 2015. MSCI ESG Research led nine major categories, including "Best SRI Research" firm and "Best Corporate Governance" firm in the

2015 Independent Research in Responsible Investment (IRRI) survey. We also use MSCI ESG Research to create MSCI ESG indexes, which are included in our Index segment.

- *MSCI ESG Ratings*. MSCI ESG Ratings are designed to provide institutional investors with the ability to integrate ESG into investment decisions by identifying risks and opportunities that may not be captured through conventional analysis. This includes ratings for 25,000 equities and 140,000 fixed-income securities. In addition, MSCI also assigns ESG ratings to more than 2,200 companies worldwide, covering an additional 90,000 fixed-income securities. Ratings are designed to identify and analyze ESG issues, including exposures (e.g., business segment and geographic risk), management and industry-specific measures that may include the intersection of a company's major social and environmental impacts with its core business operations, thereby identifying potential risks and opportunities for the company and its investors.
- *MSCI ESG GovernanceMetrics.* MSCI ESG GovernanceMetrics provides institutional investors with corporate governance research and data on over 7,000 public companies worldwide. Asset managers and owners can access company profiles, rankings and underlying governance and accounting metrics to satisfy client investment guidelines, enhance engagement activities and manage potential portfolio risks.

All Other Segment—Real Estate

MSCI's Real Estate products provide real estate performance analysis for funds, investors, managers, lenders and occupiers. We provide products and offer services that include research, reporting and benchmarking. MSCI's Real Estate performance and risk analytics range from multi-asset class to property-specific analysis. MSCI also provides business intelligence to real estate owners, managers, developers and brokers worldwide.

MSCI's Real Estate products comprise private real estate benchmarks and indexes typically branded "IPD" and include:

- *Portfolio Analysis Service ("PAS").* PAS is a single platform for real estate risk management and performance attribution that analyzes the strengths and weaknesses of a real estate portfolio's performance relative to its benchmark. PAS provides portfolio management tools that are designed to assist in building effective real estate portfolios, allowing users to gain additional portfolio insight to help them make informed investment decisions. Performance attribution enables users to analyze the sources of portfolio risk and return on an absolute or relative basis. PAS provides real estate investors with a granular understanding of the exposures and returns of their real estate portfolio, from the building to the fund level.
- *IPD Global Intel*. IPD Global Intel is a databank that equips asset owners, researchers, strategists and portfolio and risk managers with data analytics to enhance their understanding of local, regional and global real estate performance and risks. IPD Global Intel comprises a consolidated set of global, regional, national, city and submarket indexes with breakdowns by property type. Drawing from actual performance data on approximately 1,300 funds and 66,000 real estate assets, IPD Global Intel provides investors and managers an authoritative view of market trends and time series, as well as actionable information on property markets for more than 30 countries.

Growth Strategy

We believe we are well positioned for growth over time. Our multi-pronged strategy is focused on addressing the most critical needs of institutional investors and building on our strong client relationships and integral role in the investment process.

Client Growth

We believe there are opportunities to increase our business with existing clients and to add new clients. We intend to:

- *Increase product subscriptions within our current client base*. We expect that our products and services will enable us to offer clients more ways to achieve their current and future objectives. Many of our clients use only a limited number of our products, and we believe there are opportunities to sell additional content and tools to existing clients and to increase the number of users and locations. We believe our knowledge of our clients and our familiarity with their investment processes enables us to license these additional products to our clients.

- *Expand our client base*. We seek to add new clients by increasing our sales efforts and by leveraging the investments made in recent years, including transitioning away from our historic product-centric approach to a client needs-centric approach by merging our legacy product brands under an umbrella MSCI brand. We also believe that efforts to expand our geographic presence in recent years have positioned us to further leverage our brand strength, product reach and access to the global investment community to attract new clients.

- *Focus on client relationship management.* During 2015, we realigned MSCI's global client coverage organization to sharpen our focus on current clients and improve our ability to identify new prospects. Our Analytics team transformed its product line across multiple dimensions, including strategy, product development, execution and governance. We also consolidated legacy risk management analytics and portfolio management analytics sales teams into one integrated team, as well as incorporated ESG and Real Estate sales and service teams into our overall client coverage organization. To ensure that MSCI provides world-class service to our largest accounts, we have assigned senior account managers ("SAMs") to cover such accounts on a dedicated basis.

- *Increase licensing of indexes for ETFs and other exchange traded investment products*. Based on demand for our indexes as the basis for ETFs, we believe that there is opportunity for continued growth and expansion in the market, among both asset owners and managers, including registered investment advisors. We will continue to pursue opportunities to increase licensing of our indexes for index-linked investment products to capitalize on the growth in number and variety of our indexes and related products. The table below illustrates the growth trend with respect to the number of exchange listings of ETFs linked to MSCI equity indexes in the Americas, Europe, the Middle East and Africa ("EMEA") and Asia.

Number of Exchange Listings of ETFs Linked to MSCI Equity Indexes

	As of		
Region	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**
Americas	273	239	190
EMEA	466	409	381
Asia	59	39	36
Total	798	687	607

Historical values of the assets in ETFs linked to our indexes are set forth in a table under Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" below.

- *Increase managed services offerings*. Continued pressure on management fees is causing our clients to look for ways to become more operationally efficient. MSCI's Managed Services include end-to-end services that aim to assist clients with meeting operational and regulatory requirements by providing a convenient and cost-effective way to outsource data processing, systems administration and reporting. By outsourcing these functions to MSCI's data management professionals, we hope to free up our clients to focus on value-added work such as risk budgeting, asset allocation and manager selection and monitoring. Our end-to-end services include consolidation of data from various sources, data reconciliation analysis, uploading of data into MSCI's risk and portfolio management applications, identification of anomalies and customized reporting at a client's direction.

Develop New Products and Product Enhancements

We plan to develop new product offerings and continue to enhance our existing products. Much of our product development is based on an ongoing and active dialogue with clients, which helps us to understand their needs and anticipate market developments. We intend to:

- *Create innovative product offerings and enhancements.* We see strong demand for new MSCI products and services that can help clients implement their investment strategies. We strive to transform clients' challenges into opportunities by introducing innovative new products and enhancements to existing products. In Index, this includes developing new indexes, including custom indexes and currency-hedged indexes. In Analytics, we are transforming our platform in response to clients' needs for investment differentiation, operational efficiency, risk management and regulatory compliance, and producing content that addresses those needs cost effectively. As ESG moves more into the mainstream of investing, we are developing new research and ratings products that assess corporate responsibility. Additionally, in Real Estate, we are building new products for Real Estate markets in a number of countries, as well as creating a platform that delivers products more efficiently and offers clients new ways to interact with our data.
- *Execute on investments to expand our capacity to design and develop new products*. Over the past two years, we have increased investment in product development teams, research, data production systems, technology infrastructure and software application design to enable us to design and develop new products more quickly and cost-effectively over time. Further increasing our ability to construct additional indexes, and design software applications more effectively, will allow us to address client needs and bring new products and product enhancements to the market more quickly. During 2015, we upgraded our technology infrastructure by moving one of our data centers to a world-class data center in Nevada. This move significantly increased our capacity to meet the growing needs of our largest global clients.
- *Growth through acquisitions*. We intend to continue to seek to acquire products, technologies and companies that will complement our product offerings and client base, as well as increase our ability to provide investment decision support tools to equity, fixed income and multi-asset class investment institutions, and the financial intermediaries that serve such institutions.

Competitive Advantages

We believe MSCI's competitive advantages include:

- *Our strong client relationships and deep understanding of client needs.* One of the advantages of MSCI is that our vantage point enables us to view financial markets in terms of what matters to global investors and financial institutions. From 35 offices in the Americas, EMEA and Asia, we engage in conversations with institutional investors looking beyond geographic boundaries and asset classes to produce content and knowledge about global risk-taking and opportunity. We believe that our consultative approach to product development, dedication to client support and our range of products enable us to build strong relationships with investment professionals and institutions around the world. The skills, knowledge and experience of our research, applications development, global sales, data management and production and product management teams enable us to develop and enhance our models, methodologies, data and software applications in accordance with client demands and needs. We consult with clients and other market participants during the product development process to take into account their actual investment objectives and requirements. As of December 31, 2015, MSCI's clients included:
  - 97 of the top 100 global asset managers (as ranked by P&I in its report dated April 2015);

- 87 of the top 100 global pension funds (as ranked by P&I/Towers Watson in their report dated September 2015);
- 69 of the top 100 global hedge funds (as ranked by Preqin as of 2015); and
- 86 of the top 100 global banks (as ranked by The Banker Database as of 2015).

We believe that our relationships with the leading institutional investors are broader and more global than our peers.

- *Data quality.* MSCI offers proprietary software and databases that house data from more than 200 third-party sources as well as data that MSCI produces. Our data-management teams work to achieve the highest standards for data quality and accuracy. MSCI currently calculates more than 180,000 end-of-day indexes daily and more than 10,000 indexes in real time.
- *Extensive historical databases*. MSCI has amassed extensive databases of historical global market data, proprietary equity index data, private real estate benchmark data, risk data and ESG data. We believe our substantial and valuable databases of proprietary index and risk data, including over 40 years of certain index data history, nearly 40 years of certain risk and real estate data history, as well as over 14 years of certain historical governance data, would be difficult and costly to replicate. The information is not available from any single source and would require intensive data checking and quality assurance testing that we have performed over our many years of accumulating this data. Historical data is a critical component of our clients' investment processes, allowing them to research and back-test investment strategies and analyze portfolios over many investment and business cycles and under a variety of historical situations and market environments.
- *Client integration of our products*. Many of our clients have integrated our products into their performance measurement and risk management processes, where these products become an integral part of our clients' daily portfolio management functions. In certain cases, our clients are requested by their customers to report using our tools or data. Additionally, our tools can help clients comply with local regulations or client reporting requirements. Consequently, we believe that certain of our clients may experience business disruption and additional costs if they cease using or replace our products.
- *Brand recognition*. We believe that MSCI's brand is well-established and recognized throughout the institutional investment community worldwide. The strength of MSCI's brand reflects the longstanding quality and widespread use of our products. We believe our indexes, platforms and content are well-positioned to be the tools of choice for investment institutions increasingly looking to third-party products and services for help with benchmarking, index-linked product creation and portfolio and multi-asset class market risk management.
- *Global products and operations*. Our products cover most major investment markets throughout the world. For example, the MSCI Global Equity Index family provides broad equity market coverage for over 80 countries in our developed, emerging and frontier market categories; and MSCI produces equity risk data for 45 single country models, 10 regional equity models and an integrated multi-asset class risk model covering equity markets and fixed income markets. As of December 31, 2015, MSCI's clients were located in 86 countries, with many of them having a presence in multiple locations around the world. As of December 31, 2015, MSCI's employees were located in 22 countries in order to maintain close contact with our clients and the international markets we follow. We believe our global presence and focus allow us to serve our clients well and capitalize on a great number of business opportunities in many countries and regions of the world.
- *Sophisticated models with practical application*. We have invested significant time and resources for more than three decades in developing highly sophisticated and practical index methodologies and risk models that combine financial theory and investment practice. We continually enhance our models to reflect the evolution of markets and to incorporate methodological advances into risk forecasting. New models and major enhancements to existing models are reviewed by our model review committee.

- *Open architecture and transparency*. We have an open architecture philosophy aimed at increasing data access and integration features in our products and services. Clients can access our data through our software applications, third-party applications or their own applications. We also recognize that the marketplace is complex and multi-layered, as a competitor in one context may be a supplier or distributor in another context. For example, Standard & Poor's competes with us in index products, supplies index data that we distribute in our portfolio analytics software products and jointly developed and maintains GICS and GICS Direct with us. In order to provide transparency, we document and disclose many details of our models and methodologies to our clients so that they can better understand and utilize the tools we offer. Consistent with our open architecture approach, we believe this transparency benefits us and our clients.

- *Scalable application platforms*. We will continue to invest in our data centers, technology platform and software products to provide highly scalable solutions for the processing of large volumes of asset and portfolio data. In doing so, we are able to offer clients computing capacity that they would otherwise not be able to access in a cost-effective manner through internal development.

- *Highly skilled employees*. Our workforce is highly skilled, technical and, in some instances, specialized. In particular, our research and software application development departments include individuals with backgrounds in mathematics, statistics, finance, portfolio investment and application development who combine advanced academic credentials with market experience. Our employees' experience and knowledge give us access to, and allow us to add value at, the highest levels of our clients' organizations.

Clients

As of December 31, 2015, MSCI served approximately 6,400 clients across 86 countries worldwide, with 52.2% of revenues coming from clients in the Americas, 35.5% in EMEA and 12.3% in Asia and Australia. To calculate the number of clients, we may count certain affiliates, user locations, or business units within a single organization as separate clients. For example, the asset management and broker-dealer units of a diversified financial services firm may be treated as separate clients, even though the financial services firm is the only party to the applicable subscriptions or licenses. If we aggregate all related clients under their respective parent entity, the number of clients would be approximately 3,850, as of December 31, 2015.

Our Aggregate Retention Rate was 93.4% and 93.0% for the years ended December 31, 2015 and 2014, respectively. See Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Metrics and Drivers—*Operating Metrics—Aggregate Retention Rate*" for the definition of Aggregate Retention Rate and more detailed aggregate retention rate data.

Revenues from our 10 largest clients contributed a total of 26.0%, 25.8% and 25.1% to our total revenues for the years ended December 31, 2015, 2014 and 2013, respectively.

In the years ended December 31, 2015, 2014 and 2013, our largest client organization by revenue, BlackRock, Inc. and its affiliates ("BlackRock"), accounted for 10.3%, 10.6% and 9.7% of our operating revenues, respectively. For the years ended December 31, 2015, 2014 and 2013, 93.0%, 92.1% and 89.1%, respectively, of our revenues from BlackRock were attributable to fees based on the AUM of ETFs linked to MSCI equity indexes, including its iShares ETF business.

Geographic Information and Client Region

We currently have branches or subsidiaries in the following locations: Australia, Brazil, Canada, Chile, China, England, France, Germany, Hong Kong, Hungary, India, Italy, Japan, Korea, Mexico, the Netherlands, the Philippines, Singapore, South Africa, Sweden, Switzerland, Taiwan, United Arab Emirates and the U.S. See Note 13, "Segment Information," of the Notes to Consolidated Financial Statements included herein for additional information on our revenues and certain assets by geographic area.

Marketing

We market our products to asset owners and managers, chief investment officers, active and passive portfolio managers, chief risk officers and financial intermediaries. Our research and product management teams seek to understand our clients' investment processes and needs in order to design tools that help clients understand the dimensions of performance and risk in their portfolios and make better-informed investment decisions.

Members of our research team and other employees regularly speak at industry conferences, as well as at our own events. For example, we hosted approximately 800 seminars, webinars, conferences and workshops in various locations across the globe in 2015. These events bring our staff and our clients together, expose those clients to our latest research and product enhancements and give our staff an opportunity to gain insight into our clients' needs.

Our marketing professionals arrange interviews for our industry and product experts in prominent financial and trade media and issue press releases from time to time on client wins, new research and product developments. We also communicate with both existing clients and prospective clients through our email newsletters which deliver research, insights and product specific news, through our public website and client portals, and via social media.

Our marketing department collaborates with our product specialists to analyze our clients' use of our products and to analyze the competitive landscape for our products. We also supplement these direct marketing efforts with targeted online advertising and co-branding initiatives with some of our major clients.

Sales and Client Support

As of December 31, 2015, our client coverage offices included approximately 280 salespeople and 300 client-support personnel worldwide. Of these, over 85 were located in New York and 100 were located in London.

We have expanded our sales efforts to increase our revenues and our client service efforts to further ensure client satisfaction and develop client loyalty. For example, over the last few years, we opened sales and client coverage offices in Santiago, Chile and Seoul, Korea and expanded our sales presence in China and the Middle East. In 2015, we also significantly increased the number of client coverage employees in Mumbai, India and Monterrey, Mexico.

We also have sales and client support teams that are dedicated to specific client segments in order to increase our impact in each such segment, including with respect to asset managers, hedge funds, asset owners, financial advisors, private wealth managers and broker dealers. In the Americas, we also increased our focus on smaller asset managers and hedge funds, financial advisors and insurance firms. Our sales and client support staff are based around the world to enable us to provide valuable face-to-face client service and focus efforts on developing new clients in more locations.

The sophisticated nature of our products and their uses demand a sales and client support staff with strong academic and financial backgrounds. Most new sales require several face-to-face meetings with the prospective client and the sales process for large and complex sales is likely to involve a team comprising sales, client support, product management and research. For example, for Barra and RiskMetrics branded products, sales and client support personnel are available to onboard new clients and new users, which includes providing intensive on-site training in the use of the models, data and software applications underlying each product. Client support also provides ongoing support, which may include on-site visits, telephone and email, and routine support needed in connection with the use of the product or how it can help clients improve their processes, all of which are included in the recurring subscription fee. We believe that the size, quality, knowledge and experience of our sales and client support staff, as well as their proximity to clients, differentiate us from our competitors.

Product Development and Production

We take a coordinated team approach to product development and production. Our product management, research, data operations and technology and application development departments are at the center of this process.

Drawing on decades of experience with the investment process worldwide, our research department develops, reviews and enhances our various methodologies and models. Our global data operations and technology team designs and manages our processes and systems for market data procurement, proprietary data production and quality control. Our application development team builds our sophisticated software applications. As part of our product development process, we also commonly consult with clients and other market participants to understand their specific needs and investment process requirements. Our product management team facilitates this collaborative product development and production approach. The roles and functions of our product development and production teams include:

- *Research.* Our models are developed by a cross-functional research team of mathematicians, economists, statisticians, financial engineers and investment industry experts. Our index and risk and analytics research departments combine advanced academic credentials with broad financial and investment industry experience. They work on both developing new models and methodologies and enhancing existing ones. We monitor investment trends and their drivers globally; analyze product-specific needs in areas such as capitalization-weighted, factor and specialized indexes; and examine instrument valuation, risk modeling, portfolio construction, asset allocation and VaR simulation. An important way we monitor global investment trends and their implications for our business is through the forum provided by our Editorial Advisory Board ("EAB"). Our EAB, which was established in 1999, meets twice a year and is comprised of senior investment professionals from around the world and senior members of our performance and risk research team. In 2015, our index and portfolio and risk analytics researchers participated in numerous industry events and conferences, and their papers have been published in leading academic and industry journals. They also play a leading role in many of the seminars, workshops and webinars we host throughout the year, presenting and discussing their latest research findings with both existing and prospective clients.
- *Data Operations and Information Technology.* Our data operations and technology teams consist of a combination of operations and information technology specialists. We licensed a large volume and variety of market data for every major market in the world, including fundamental and return data, from more than 200 third-party sources in 2015. We apply our models and methodologies to this market data to produce our proprietary risk and index data. Our data operations team oversees this complex process. Our experienced information technology staff builds proprietary software and databases that house all of the data we license or produce in order for our data operations team to perform data quality checks and run our data production systems. Our software and data resides on servers, networks and databases engineered and managed by our IT Infrastructure team, and operated and monitored by our IT Operations team. This technology suite resides in our global data centers in Nevada, U.S. and Geneva, Switzerland. Our data factory produces our proprietary index data such as end-of-day and real time equity indexes, real estate benchmarks, and our proprietary risk data such as daily and monthly equity risk forecasts, real estate performance and risk reporting and MSCI ESG Research reports. We have data operations and technology offices in North America, Europe and Asia.
- *Application Development.* Certain of our proprietary risk data are made available to clients through our proprietary software applications, such as Barra Aegis, BarraOne, RiskManager, HedgePlatform, WealthBench, Credit Manager and ESG Manager. Our application development team consists of individuals with experience in both the finance and software industries. Our staff has an extensive skill set, including expertise in both the Java-based technologies used in our web-based, on-demand software application tool for multi-asset class risk analysis and reporting and Microsoft-based technologies used in our desktop equity and fixed income analytics software products. We also have extensive experience with database technologies, computational programming techniques, scalability and performance analysis and quality assurance. We use a customized code base and software

development methodology that leverages best practices from the software industry, including agile programming, test-driven development, parallel tracking, iterative cycles, prototyping and beta releases. We build our software applications by compiling multiple components, which enables us to reuse designs and codes in multiple products. Our software development projects involve extensive collaboration with our product management team and directly with clients. We have application development offices in the U.S., Europe and Asia.

Competition

Many industry participants compete with us by offering one or more similar index products. Such products vary widely in scope, including by geographic region, business sector and risk category.

Our Index products compete with offerings from FTSE Russell, a subsidiary of The London Stock Exchange Group PLC; S&P Dow Jones Indices LLC (a joint venture company owned 27% by CME Group, Inc. and CME Group Services LLC and 73% by The McGraw-Hill Financial, Inc.); the Center for Research in Securities Prices (CRSP); EDHEC-Risk Institute; DAX; STOXX Ltd.; BM&FBovespa; the Korea Stock Exchange; China Securities Index Co., Ltd.; the Hang Seng Index (a strategic partnership between CME Group, Inc. and Singapore Exchange Limited); Research Affiliates LLC; Morningstar, Inc.; Nikkei Inc.; Nomura Securities, Ltd.; the Tokyo Stock Exchange, Inc.; Intercontinental Exchange, Inc.; Nasdaq, Inc.; and Solactive AG.

There is also growing competition among asset managers and investment banks that create their own range of indexes in cooperation with index providers, which provide some form of calculation agent service. This is especially true for factor indexes, often referred to as “smart beta indexes.” Asset managers, such as WisdomTree and Goldman Sachs Asset Management, manage funds or ETF indexes based on their own proprietary indexes; and many investment banks have launched structured products or entered into OTC derivatives based on their own proprietary indexes.

Our Analytics products compete with offerings from a range of competitors, including Algorithmics (a unit of IBM), Axioma, Inc., BlackRock Solutions, Bloomberg Finance L.P., Capital IQ’s ClariFI (a Standard & Poor’s business), FactSet Research Systems Inc., Imagine Software, KMV (a unit of Moody’s Corporation), Northfield Information Services, Inc., State Street Analytics, SunGard (a unit of FIS) and Wilshire Analytics. Additionally, many of the larger broker-dealers have developed proprietary analytics tools for their clients. Similarly, many investment institutions, particularly the larger global organizations, have developed their own internal risk management analytics tools. We also have a variety of competitors for our other products that comprise a smaller portion of our revenues.

Intellectual Property and other Proprietary Rights

We consider many aspects of our products, processes and services to be proprietary. We have registered, among others, “MSCI,” “Barra,” “RiskMetrics,” “RiskManager,” “InvestorForce,” and “IPD” as trademarks or service marks in the United States and in certain foreign countries. We will continue to evaluate the registration of additional trademarks, service marks and copyrights as appropriate. From time to time, we also file patent applications to protect our proprietary rights. We currently hold 23 U.S. and foreign patents and have three U.S. patents pending. Additionally, many of our products, processes and services require the use of intellectual property obtained from third parties. It may be necessary in the future to seek or renew licenses relating to various aspects of our products, processes and services.

Although we believe the ownership of such patents, copyrights, trademarks, service marks, the implementation of certain measures to protect our intellectual property and proprietary rights and our ability to obtain the rights to use intellectual property of third parties are important to our business and contribute in part to our overall success, we do not believe we are dependent on any one of our intellectual property rights or any one license to use third-party intellectual property. For a description of the risks associated with legal protection of our intellectual property and other rights, infringement claims and the ability to obtain or renew licenses for third-party intellectual property, see Part I, Item 1A. "Risk Factors—*Legal Protections for our intellectual property rights and other rights may not be sufficient or available to protect our competitive advantages. Third parties may infringe on our intellectual property rights, and third-party litigation may materially adversely affect our ability to protect our intellectual property rights"* below.

Company History

The following is a summary of the Company's history since its inception:

MSCI Timeline

1969	•	MSCI began as a pioneer in developing the market for global equity indexes.
	•	We began licensing our first equity index products in 1969.
1998	•	We were incorporated in 1998 and, until we became a public company in November 2007, our only two shareholders were Morgan Stanley and Capital Group International.
2004	•	In June 2004, we acquired Barra, LLC (formerly Barra, Inc., "Barra"), a provider of portfolio risk analytics tools that launched its first risk analytics products in 1975. This broadened our product range beyond index products.
2007	•	In November 2007, we completed our initial public offering. Simultaneously, we reclassified our outstanding common stock into class A and class B shares.
2008	•	In April 2008, Capital Group International divested its ownership position.
2009	•	In May 2009, Morgan Stanley divested its ownership position and we became a fully independent, stand-alone public company.
2010	•	In June 2010, we acquired RiskMetrics Group, Inc. ("RiskMetrics"), a leading provider of risk management and governance products and services. In addition to this core product line, RiskMetrics owned Institutional Shareholder Services Inc. ("ISS"), a pioneer in the development of policy-based proxy voting recommendations.
	•	RiskMetrics also owned the Center for Financial Research and Analysis ("CFRA"), Innovest Strategic Value Advisors, Inc. ("Innovest") and KLD Research and Analytics ("KLD Research"). Innovest and KLD Research are now known as MSCI ESG Research Inc. ("MSCI ESG Research").
	•	In July 2010, we acquired Measurisk, LLC ("Measurisk"), a provider of risk transparency and risk measurement tools for hedge fund investors. With our clients demanding increasing levels of transparency from their hedge fund managers, this acquisition helped us develop a broad platform and set the standard for analyzing and reporting hedge fund risk. Measurisk's products are now part of our hedge fund risk transparency offerings.
2012	•	In November 2012, we acquired real estate performance measurement group IPD Group Limited ("IPD"). The acquisition of IPD expanded MSCI's multi-asset class offerings by facilitating the integration of private real estate assets into our models, as well as adding a family of real estate indexes to MSCI's suite of equity indexes.
2013	•	In January 2013, we acquired Investor Force Holdings, Inc. ("InvestorForce"), a leading provider of performance reporting tools to the institutional investment community in the U.S. The InvestorForce offering enables us to provide consultants with integrated, daily monitoring, analysis of and reporting on institutional assets.
	•	In March 2013, we completed the sale of the CFRA product line.

2014	•	In April 2014, we completed the sale of ISS.
	•	In August 2014, we acquired Governance Holdings Co. (“GMI Ratings”), a provider of corporate governance research and ratings to institutional investors, banks, insurers, auditors, regulators and corporations seeking to incorporate ESG factors into risk assessment and decision-making. This acquisition enhanced our existing platform of ESG research and tools, allowing us to deliver a more comprehensive suite of ESG products and services to our clients.
2015	•	In October 2015, we acquired all of the assets of Insignis, Inc. (“Insignis”), a leading provider of daily automated collection, aggregation and management of financial data. We believe this acquisition will help us further automate the collection and integration of data across our risk and performance management platforms.

For more information about our acquisitions and dispositions, see Note 3, “Dispositions and Discontinued Operations,” and Note 12, “Acquisitions,” of the Notes to Consolidated Financial Statements included herein.

Employees

We had 2,754 and 2,926 employees as of December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, 52.8% and 50.5% of our employees, respectively, were located in emerging market centers.

Government Regulation

The Company is subject to reporting, disclosure and recordkeeping obligations pursuant to SEC requirements. MSCI ESG Research is a registered investment adviser and must comply with the requirements of the Investment Advisers Act of 1940 and related SEC regulations. Such requirements relate to, among other things, disclosure obligations, recordkeeping and reporting requirements, marketing restrictions and general anti-fraud prohibitions. MSCI registered in 2012 with the State Council Information Office of the Ministry of Commerce and the State Administration for Industry and Commerce in China as a foreign institution supplying financial information services in China. See Part I, Item 1A. “Risk Factors—*Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations*.”

Executive Officers

Name	Age	Position
Henry A. Fernandez	57	Chairman, Chief Executive Officer and President
Robert Qutub	54	Chief Financial Officer
Scott A. Crum	59	Chief Human Resources Officer
Richard J. Napolitano	49	Principal Accounting Officer and Global Controller
C.D. Baer Pettit	51	Chief Operating Officer
Laurent Seyer	51	Global Head of Client Coverage
Diana H. Tidd	46	Head of Index
Peter J. Zangari	48	Head of Analytics

Henry A. Fernandez

Mr. Fernandez has served as the Chairman since October 2007 and as the Chief Executive Officer (“CEO”), President and a director since 1998. Before leading MSCI’s transition to becoming a fully independent, standalone public company in 2009, he was a Managing Director at Morgan Stanley, where he worked in emerging markets product strategy, equity derivative sales and trading, mergers and acquisitions, worldwide corporate finance and mortgage finance for U.S. financial institutions. Mr. Fernandez worked for Morgan Stanley from 1983 to 1991 and from 1994 to 2009. Mr. Fernandez serves on the boards of Georgetown University, the Hoover Institution at Stanford University, the Foreign Policy Association, Memorial Sloan-Kettering Cancer

Center, Catholic Charities of the Archdiocese of New York and the American Nicaraguan Foundation. Mr. Fernandez is the former Chair of the Advisory Council of the Stanford University Graduate School of Business. He holds a Bachelor of Arts in economics from Georgetown University, an M.B.A. from the Stanford University Graduate School of Business and pursued doctoral studies in economics at Princeton University.

Robert Qutub

Mr. Qutub has served as the Chief Financial Officer (the “CFO”) since August 2012. Prior to joining MSCI, Mr. Qutub worked for Bank of America from 1994 to 2012 in several senior finance positions, most recently as the CFO of Consumer and Business Banking. During his career at Bank of America, Mr. Qutub also served as the CFO of other major segments, including Global Banking and Markets and Global Wealth Investment Management. Prior to joining Bank of America, he was a Manager in the Financial Services Group for PricewaterhouseCoopers LLP from 1988 to 1994. Mr. Qutub served in the U.S. Marine Corps on active duty from 1981 to 1984. Since June 2014, Mr. Qutub has been a member of the board of directors and finance and audit committee of the USAA Federal Savings Bank. Mr. Qutub earned a Bachelor of Science in accounting from the University of North Carolina—Charlotte. He is also a member of the American Institute of Certified Public Accountants. As previously announced, Mr. Qutub will retire from MSCI on the earlier of May 6, 2016 and the effective date of the appointment of his successor.

Scott A. Crum

Mr. Crum has served as the Chief Human Resources Officer since April 2014. Prior to joining MSCI, Mr. Crum served as Head of Global Human Resources for four publicly traded companies. Mr. Crum worked for Avon Products, Inc. as Senior Vice President of Human Resources and Chief People Officer from September 2012 to May 2013. From July 2010 to June 2012, Mr. Crum served as Senior Vice President and Chief People Officer of Motorola Mobility Holdings, Inc., one of two publicly traded companies formally created when Motorola Inc. split in January 2011. Prior to that, he served as the Senior Vice President and Director of Human Resources of ITT Corporation from September 2002 to July 2010 and Head of Administration and Employee Relations at General Instruments Corp. from 1997 to 2000. Mr. Crum holds a Bachelor of Business Administration with a concentration in industrial relations from Southern Methodist University.

Richard J. Napolitano

Mr. Napolitano has served as the Principal Accounting Officer since February 2014 and Global Controller since June 2011. Prior to joining MSCI, Mr. Napolitano worked at Morgan Stanley from 2005 to 2011, J.P. Morgan Chase from 1996 to 2005 and Ernst & Young from 1988 to 1996. At these firms, he held various positions including, among others, Business Unit or Product Chief Financial Officer or Controller, Head of External Reporting and Accounting Policies and Audit Senior Manager. Mr. Napolitano earned his Bachelor of Science in accounting and an M.B.A. in finance from the Leonard N. Stern School of Business at New York University. He is also a member of the American Institute of Certified Public Accountants.

C.D. Baer Pettit

Mr. Pettit has served as the Chief Operating Officer since September 2015. As such, Mr. Pettit oversees the firm’s operations, technology and product lines and reports directly to the Chief Executive Officer. Before taking on his current role, Mr. Pettit served as Head of the Product Group from February 2015 to September 2015, Head of Client Coverage from 2001 to August 2012, Head of Marketing from 2005 to August 2012 and Head of Index Products from September 2011 to September 2015. Prior to joining MSCI, Mr. Pettit worked for Bloomberg L.P. from 1992 to 1999, most recently as Deputy Head of European Sales. He holds a Master of Arts degree in history from Cambridge University and a Master of Science degree from the School of Foreign Service at Georgetown University.

Laurent Seyer

Mr. Seyer has served as the Global Head of Client Coverage since December 2014. Prior to joining MSCI, Mr. Seyer worked for AXA Investment Managers LLC in Paris, most recently as Global Head of the Client Group. Prior to that, he spent 24 years at *Societe Generale* in a number of leadership positions, including as CEO of Lyxor Asset Management from 2006 to 2012, and held senior roles in equity derivatives and structured product sales, mergers and acquisitions, corporate finance, and corporate development and business strategy. Mr. Seyer graduated from Institut d'Etudes Politiques, where he studied law and economics.

Diana H. Tidd

Ms. Tidd has served as the Head of Index since February 2016 when her role was expanded from Head of Equity Index Products, a role she had held since October 2015. In such capacity, she is responsible for all aspects of product management and business strategy for the MSCI indexes. During her tenure at MSCI, Ms. Tidd has served in a variety of roles, including Head of Americas Client Coverage for six years. Prior to joining MSCI in 1999, Ms. Tidd worked at Brown Brothers Harriman & Co. in Boston for five years where she had roles in the Risk and Europe teams, before becoming Head of the Asia Team in the global custody division. She started her career in the Trust and Estates division of the Private Bank at Bankers Trust Co. Ms. Tidd serves on the board of Women in ETFs, as well as WAVE, West Africa Village Education. Ms. Tidd graduated with a Bachelor of Arts degree in Political Science from Colgate University and received a Master's Degree in Latin American Studies from Stanford University.

Peter J. Zangari

Mr. Zangari has served as the Head of Analytics since February 2015, which includes the formerly separately managed risk management analytics product line and portfolio management analytics product line, the latter of which Mr. Zangari had served as the Head of since August 2011. Prior to joining MSCI, Mr. Zangari held progressively senior-level positions at Goldman Sachs since 1998, most recently as the Head of Risk and a member of the leadership team for the Quantitative Investment Strategies ("QIS") business of Goldman Sachs Asset Management ("GSAM"). Prior to joining QIS, Mr. Zangari was responsible for building out and managing GSAM's proprietary equity risk and attribution platform. Mr. Zangari has a Bachelor of Arts degree in economics from Fordham University and a PhD in economics, with a specialization in applied econometrics and computational statistics, from Rutgers University.

Available Information

Our corporate headquarters are located at 7 World Trade Center, 250 Greenwich Street, New York, New York, 10007, and our telephone number is (212) 804-3900. We maintain a website on the Internet at www.msci.com. The contents of our website are not a part of or incorporated by reference in this Annual Report on Form 10-K.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website that contains reports, proxy and information statements and other information that we file electronically with the SEC at www.sec.gov. We also make available free of charge, on or through our website, these reports, proxy statements and other information as soon as reasonably practicable following the time they are electronically filed with or furnished to the SEC. To access these, click on the "SEC Filings" link found on our Investor Relations homepage (http://ir.msci.com).

We also use our Investor Relations homepage and corporate Twitter account (@MSCI_Inc) as channels of distribution of Company information. The information we post through these channels may be deemed material.

Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about us when you enroll your email address by visiting the "Email Alert Subscription" section of our Investor Relations homepage at http://ir.msci.com/alerts.cfm?. The contents of our website, including our Investor Relations homepage, and social media channels are not, however, a part of or incorporated by reference in this Annual Report on Form 10-K.

Item 1A. *Risk Factors*

You should carefully consider the following risks and all of the other information set forth in this Annual Report on Form 10-K. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially and adversely affected. You should read the section titled "Forward-Looking Statements" on page 1 for a description of the types of statements that are considered forward-looking statements, as well as the significance of such statements in the context of this Annual Report on Form 10-K.

Risks Related to Our Business

If we lose key outside suppliers of data and products or if the data or products of these suppliers have errors or are delayed, we may not be able to provide our clients with the information and products they desire.

Our ability to produce our products and develop new products is dependent upon the products of other suppliers, including certain data, software and service suppliers. Our Index, Analytics, Real Estate, and ESG products are dependent upon and of little value without updates from our data suppliers. Similarly, most of our software products are dependent upon and of little value without continuing access to historical and current data. Throughout our businesses, we utilize certain data provided by third party data sources in a variety of ways, including large volumes of data from certain stock exchanges around the world. As of December 31, 2015, there were over 200 such data suppliers. If the data from our suppliers has errors, is delayed, has design defects, is unavailable on acceptable terms or is not available at all, our business, financial condition or results of operations could be materially adversely affected.

Many of our data suppliers compete with one another and, in some cases, with us. For example, Standard & Poor's competes with us in index products, supplies index data that we distribute in our portfolio analytics software products and jointly developed and maintains GICS and GICS Direct with us. Some of our agreements with data suppliers allow them to cancel on short notice and we have not completed formal agreements with all of our data suppliers, such as certain stock exchanges. From time to time we receive notices from data suppliers, including stock exchanges, threatening to terminate the provision of their data to us, and some data suppliers, including at least one stock exchange, have terminated the provision of their data to us. Termination of provision of data by one or more of our significant data suppliers or exclusion from, or restricted use of, or litigation in connection with, a data provider's information could decrease the information available for us to use (and offer our clients) and may have a material adverse effect on our business, financial condition or results of operations.

Although data suppliers and stock exchanges typically benefit from providing broad access to their data, some of our competitors could enter into exclusive contracts with our data suppliers, including with certain stock exchanges. If our competitors enter into such exclusive contracts, we may be precluded from receiving certain data from these suppliers or restricted in our use of such data, which would give our competitors a competitive advantage. Such exclusive contracts could hinder our ability to provide our clients with the data they prefer, which could lead to a decrease in our client base and could have a material adverse effect on our business, financial condition or results of operations.

Some data suppliers have sought and others may seek to increase licensing fees for providing their content to us. If we are unable to negotiate acceptable licensing arrangements with these data suppliers or find alternative sources of equivalent content, we may be required to reduce our profit margins or experience a reduction in our market share.

Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees.

A portion of our revenues are from asset-based fees and these revenue streams are concentrated in some of our largest clients, including BlackRock, Inc. and its affiliates ("BlackRock"), and in our largest market, the U.S. Our clients, including our largest clients, may seek to negotiate a lower asset-based fee percentage for a variety of reasons. As the assets of index-linked investment products managed by our clients change, they may request to pay us lower asset-based fee percentages. Additionally, competition is intense and increasing rapidly among our clients that provide exchange traded funds ("ETFs"), among other products. The fees ETF providers charge their clients are one of the competitive differentiators for these ETF managers.

Moreover, clients that have licensed our indexes to serve as the basis of index-linked investment products are generally not required to continue to use our indexes and could elect to cease offering the product or could change the index to a non-MSCI index, and at least one large client has ceased using MSCI indexes as the basis for a significant number of its index funds in the past. In such instances, our asset-based fees could dramatically decrease, which could have a material adverse effect on our business, financial condition or results of operations. The ability of our licensees to cease using our indexes is generally true not just with respect to an index's use as the basis of an ETF but also with respect to its use as the basis of other financial products, including mutual funds and institutional funds. Finally, to the extent that an asset manager finds it beneficial to offer clients ETFs and institutional funds based on the same indexes, a shift away from use of an index as the basis of one type of product may lead to a corresponding shift away from the use of the same index as the basis of the other type of product.

If we are required to offer clients materially lower asset-based fee percentages with respect to investment products that generate fees based on the assets of such products or our largest clients cease to use our indexes, our revenues could be negatively impacted, which could have a material adverse effect on our business, financial condition or results of operations.

Our revenues attributable to asset-based fees may be affected by changes in the capital markets, particularly the equity capital markets. A decrease in our revenues attributable to these products could have a material adverse effect on our business, financial condition or results of operations.

Clients that use our indexes as the basis for certain index-linked investment products, such as ETFs and mutual funds, commonly pay us a fee based on the value of the investment product's assets. The value of an investment product's assets may increase or decrease in response to changes in market performance and cash inflows and outflows, which could impact our revenues. In addition, in many cases our fees can be affected by an increase or decrease in a product provider's total expense ratio ("TER"). In those cases, a reduction in the TER may negatively impact our revenues. Asset-based fees make up a significant portion of our revenues. They accounted for 18.4% and 17.8% of revenues for the fiscal years ended December 31, 2015 and 2014, respectively. These asset-based fees accounted for 48.3% and 47.6% of the revenues from our ten largest clients for the fiscal years ended December 31, 2015 and 2014, respectively. Volatile capital markets, as well as changing investment styles, among other factors, may influence an investor's decision to invest in and maintain an investment in an index-linked investment product. Accordingly, the value of assets linked to ETFs can fluctuate significantly over short periods of time. See "—*Our financial condition and results of operations may be negatively impacted to the extent that our current and potential future clients are affected by adverse changes in the financial markets*" below.

Our business relies heavily on electronic delivery systems, the Internet and our information technology platform, and any failures, disruptions or instability may materially adversely affect our ability to serve our clients.

We depend heavily on the capacity, reliability and security of our information technology platform, electronic delivery systems and its components, including our data centers, and the Internet. Heavy use of our electronic delivery systems and other factors such as loss of service from third parties, operational failures, sabotage, break-ins and similar disruptions from unauthorized tampering or hacking, human error, cyber-terrorism, natural disasters, power loss or computer viruses could impair our systems' operations or interrupt their availability for extended periods of time. Our ability to effectively use the Internet may also be impaired due to infrastructure failures, service outages at third-party Internet providers or increased government regulation. If disruptions, failures or slowdowns occur with respect to our electronic delivery systems, the Internet or our information technology platform, our reputation and our ability to distribute our products effectively and to serve our clients, including those clients for whom we provide managed services or to whom we distribute index and constituent data on a real time basis that is used to manage funds that replicate MSCI indexes, may be materially adversely affected. For example, we have in recent years experienced denial-of-service attacks. While we have been able to defend our systems against such attacks in the past, there is no assurance that we will be able to do so successfully in the future. We have also experienced unanticipated interruption and delay in the performance and delivery of certain of our products after we migrated certain of our applications and infrastructure to new data centers and may experience such interruptions and delays in the future with respect to the migrations within existing data centers or to new data centers. In response to such issues, we have in the past and could again be required to provide service credits. We could also experience cancellations and reduced demand for our products and services, resulting in decreased revenues. We may also incur increased operating expenses to repair, replace or remediate systems, equipment or facilities, and to protect ourselves from and defend against such disruptions and attacks. Accordingly, any significant failures, disruptions or instability affecting our information technology platform, electronic delivery systems or the Internet may have a material adverse effect on our financial condition or results of operations and our insurance may not be adequate to compensate us for all losses, failures, or breaches.

Any failure to ensure and protect the confidentiality of client data could adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations.

Many of our products provide for the exchange of sensitive information with our clients through a variety of media, such as the Internet, software applications and dedicated transmission lines. We rely on a complex system of internal processes and software controls along with policies, procedures and training to protect client data that we receive in the ordinary course of business, including sensitive and confidential client data such as material non-public information and client portfolio data that may be provided to us or hosted on our systems, against unauthorized data access or disclosure. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in the implementation of our internal controls, policies or procedures, or if an employee purposely circumvents or violates our internal controls, policies or procedures, then unauthorized access to, or disclosure or misappropriation of, client data could occur. Such unauthorized access, disclosure or misappropriation may result in claims against us by our clients or regulatory inquiry or censure, which could, individually or in the aggregate, damage our reputation and/or have a material adverse effect on our business, financial condition or results of operations. If a failure of our internal controls, policies or procedures results in a security or data privacy breach, we could also incur increased operating expenses to remediate the problems caused by the breach and prevent future breaches, which could have a material adverse effect on our business, financial condition or results of operations. See "*—Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations—Data Privacy Legislation*" below.

We have confidentiality policies in place regarding changes to the composition of our indexes and have implemented information barrier procedures to protect the confidentiality of the material, non-public information regarding changes to our equity indexes. If our confidentiality policies or information barrier procedures fail, our reputation could be damaged and our business, financial condition or results of operations could be materially adversely affected.

We change the composition of our indexes from time to time. We believe that, in some cases, the changes we make to our equity indexes can affect the prices of constituent securities as well as products based on our indexes. Our index clients rely on us to keep confidential material non-public information about changes to the future composition of an index and to protect against the misuse of that information until the change to the composition of the index is disclosed to clients. We have confidentiality policies in place and have implemented information barrier procedures to limit access to this information and to prevent the unauthorized disclosure and misuse of information regarding material non-public changes to the composition of our equity indexes. If our confidentiality policies or information barrier procedures fail or we are delayed in implementing such procedures as necessary with respect to a newly acquired business and an employee inadvertently discloses, or deliberately misuses, material non-public information about a change to one of our indexes, our reputation may suffer. Clients' loss of trust and confidence in our confidentiality policies or information barrier policies and procedures could lead to a negative reputation throughout the investment community, which could have a material adverse effect on our business, financial condition or results of operations.

In addition, certain exchanges permit our clients to list ETFs or other financial products based on our equity indexes only if we provide a representation to the exchange that we have reasonable information barrier procedures in place to address the unauthorized disclosure and misuse of material, non-public information about changes to the composition of our equity indexes. If an exchange determines that our information barrier procedures are not sufficient, the exchange might refuse to list or might delist investment products based on our equity indexes, which may have a material adverse effect on our business, financial condition or results of operations.

Increased competition in our industry may cause price reductions or loss of market share, which may materially adversely affect our business, financial condition or results of operations.

We face competition across all markets for our products. Our competitors range in size from large companies with substantial resources to small, single-product businesses that are highly specialized. Our larger competitors may have access to more resources and may be able to achieve greater economies of scale, and our specialized competitors that are focused on a narrower product line may be more effective in devoting technical, marketing and financial resources to compete with us with respect to a particular product. Larger competitors may offer price incentives to expand their market share, and may also consolidate with one another or form joint ventures or other business arrangements, which could allow for a narrower pool of competitors that are better capitalized or that are able to gain a competitive advantage through synergies resulting from an expanded suite of products and services.

In addition, barriers to entry may be low in many of the markets for our products, including for single-purpose product companies. Recent developments including advances in public cloud computing and the increase in open source as well as proprietary software in specific areas, such as pricing, high volume computing, orchestration layers for services, and visualization, have increasingly allowed free or relatively inexpensive access to information sources, which has reduced barriers to entry even further. Low barriers to entry could lead to the emergence of new competitors; for example, more broker-dealers and data suppliers could begin developing their own proprietary risk analytics or indexes. See "—*Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and materially adversely affect our business, financial condition or results of operations*" below.

Financial and budgetary pressures affecting our clients, including those resulting from weak or volatile economic conditions, may lead certain clients to reduce their overall spending on our products, including by seeking products at a lower cost than what we are able to provide, by consolidating their spending with fewer providers or by self-sourcing certain of their informational needs. Accordingly, competitive pressures may result in fewer clients, fewer subscriptions or investment product licenses, price reductions, and increased operating costs, such as for marketing and product development, which could, individually or in the aggregate, result in lower revenue, gross margins and operating income. See "—*Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees*" above and Part I, Item 1. "Business—Our Competition" above.

To remain competitive and generate customer demand, we must successfully develop new products and product enhancements and effectively manage transitions and product integrations. Failure to do so could limit our ability to maintain or grow current revenues, which could have a material adverse effect on our business, financial condition or results of operations.

We operate in an industry that is characterized by rapid technological change and evolving industry standards. Due to the highly volatile and competitive nature of this industry and the impact of technological change on our products, we must continually introduce new products and services, enhance, including through integration of products within MSCI and with third-party platforms, existing products and services, and effectively generate customer demand for new and upgraded products and services. If, among other things, we fail to accurately predict or respond or adapt to evolving technologies and changing industry standards, if we fail to anticipate and meet the needs of our clients through the successful development of new products and services, if our new products and services are not attractive to our clients or cannot be integrated with third-party platforms, if our new products do not perform as well as anticipated, if the launch of new products and offering of new services is not timely, or if competitors in any business line introduce products, services, systems and processes that are more competitive than ours or that gain greater market acceptance, we could lose market share and clients to our competitors which could materially adversely affect our business, financial condition or results of operations.

We must make long-term investments and commit significant resources before knowing whether these investments will eventually result in products and services that satisfy our clients' needs and generate revenues required to provide the desired results. For example, we have made, and need to continue to make, investments in our technology platform in order to provide competitive products and services to our clients. From time to time, we also incur costs to integrate existing products and platforms and transition clients to enhanced products and services, which also present execution risks and challenges. If we are unable to effectively manage transitions to new or enhanced products and services, our business, financial condition or results of operations could be materially adversely affected. See "—*If our products contain undetected errors or fail to perform properly due to defects, malfunctions or similar problems, it could have a material adverse effect on our business, financial condition or results of operations*" below.

If we are unable to manage our operating costs as anticipated or our operating costs are higher than expected, our operating results may fluctuate significantly.

We may experience higher than expected operating costs, including increased personnel costs, occupancy costs, selling and marketing costs, investments in geographic expansion, communication costs, travel costs, software development costs, professional fees, costs related to information technology infrastructure and other costs. If operating costs exceed our expectations and cannot be adjusted accordingly, our anticipated profitability may be reduced and our anticipated results of operations and financial position may be materially adversely affected.

A limited number of clients account for a material portion of our revenue. Cancellation of subscriptions or investment product licenses by any of these clients could have a material adverse effect on our business, financial condition or results of operations.

For the fiscal years ended December 31, 2015 and 2014, revenues from our ten largest clients accounted for 26.0% and 25.8% of our total revenues, respectively. Our revenue growth depends on our ability to obtain new clients and achieve and sustain a high level of renewal rates with respect to our existing subscription base. Failure of one or more of these subscription objectives could have a material adverse effect on our business, financial condition and operating results. For the fiscal year ended December 31, 2015, our largest client organization by revenue, BlackRock, accounted for 10.3% of our total revenues. For the fiscal years ended December 31, 2015 and 2014, 93.0% and 92.1%, respectively, of the revenue from BlackRock came from fees based on the assets in BlackRock's ETFs that are based on our indexes. If one or more of our largest clients cancels or reduces its subscriptions or investment product licenses and we are unsuccessful in replacing those subscriptions or licenses, our business, financial condition or results of operations could be materially adversely affected. See "—*Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees*" above.

Our growth and profitability may not continue at the same rate as we have experienced in the past, which could have a material adverse effect on our business, financial condition or results of operations.

We have experienced significant growth since we began operations. There can be no assurance that we will be able to maintain the levels of growth and profitability that we have experienced in the past. Among other things, there can be no assurance that we will be as successful in our product development and marketing efforts as we have been in the past, or that such efforts will result in growth or profit margins comparable to those we have experienced in the past. See "—*To remain competitive and generate customer demand, we must successfully develop new products and product enhancements and effectively manage transitions and product integrations*. *Failure to do so could limit our ability to maintain or grow current revenues, which could have a material adverse effect on our business, financial condition or results of operations*" above.

We are dependent on key personnel in our professional staff for their expertise. If we fail to attract or retain the necessary qualified personnel, including through our compensation programs, our business, financial condition or results of operations could be materially adversely affected.

The development, maintenance and support of our products and services are dependent upon the knowledge, experience and ability of our highly skilled, educated and trained employees. Accordingly, we believe that the success of our business depends to a significant extent upon the continued service of our executive officers and other key management, research, sales and marketing, operations, information technology and other technical personnel. Although we do not believe that we are overly dependent upon any individual employee, our management and other employees may terminate their employment at any time and the loss of any of our key employees could have a material adverse effect on our business, financial condition or results of operations.

During 2015 and 2016, our Board of Directors adopted significant changes to the Company's compensation approach and philosophy, including the implementation of a more formulaic approach to the payment of annual cash incentive compensation based on the achievement of certain financial metrics and long-term equity incentive compensation based on the achievement of share-based performance targets for certain awards to executive officers and managing directors. If our cash and equity incentive plans, including our new cash bonus plan and long-term equity incentive compensation program, do not adequately engage our key employees or are not competitive, we may lose key personnel. If we fail to attract, engage and retain the necessary qualified personnel, the quality of our products and services as well as our ability to support and retain our customers and achieve business objectives may suffer, which could have a material adverse effect on our business, financial condition or results of operations.

Our expansion may place significant strain on our management and other resources.

We must plan and manage our expansion effectively to increase revenue and profitability. Our expansion in recent years, including in emerging market locations, has placed, and is expected to continue to place, significant demands on our personnel, management and other resources. We must continue to improve our operational, financial, management, legal and compliance processes and information systems to keep pace with the expansion of our business. There can also be no assurance that, if we continue to expand organically or by way of acquisitions, our management will be effective in attracting, engaging and retaining additional qualified personnel, including additional managers or key employees, developing effective leadership in all of our locations, expanding our physical facilities and information technology infrastructure, integrating acquired businesses or otherwise managing expansion. Additionally, new hires require significant training and may, in some cases, take a significant amount of time before becoming fully productive. Any failure to effectively manage expansion or to effectively manage the business could have a material adverse effect on our business, financial condition or results of operations. See "*—We are subject to unanticipated costs in connection with political, economic, legal, operational, franchise and other risks as a result of our international operations, which could materially adversely impact our businesses in many ways*" below, "*—We are dependent on key personnel in our professional staff for their expertise. If we fail to attract necessary qualified personnel, including through our compensation programs, our business, financial condition or results of operations could be materially adversely affected*" above, Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" below and Part I, Item 1. "Business—Company History" above.

Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations.

The financial services industry is subject to extensive regulation at the federal and state levels, as well as by foreign governments. It is very difficult to predict the future impact of the broad and expanding legislative and regulatory requirements affecting our business and our clients' businesses. If we fail to comply with any applicable laws, rules or regulations, we could be subject to fines or other penalties. Additionally, we may be required to comply with multiple and potentially conflicting laws, rules or regulations in various jurisdictions, which could, individually or in the aggregate, result in materially higher compliance costs to us. It is possible that laws or regulations could cause us to restrict or change the way we license our products or could impose additional costs on us. Some changes to the laws, rules and regulations applicable to our clients could impact their demand for our products and services. Likewise, to the extent that our clients become bound by certain laws, rules or regulations, we may incur higher costs in connection with modifying our products or processes at their request even in instances where we are not directly legally bound. There can be no assurance that changes in laws, rules or regulations will not have a material adverse effect on our business, financial condition or results of operations. See "*—Our financial condition and results of operations may be negatively impacted to the extent that our clients are affected by adverse changes in the financial markets*" below.

- *Investment Advisers Act*. Except with respect to certain products provided by MSCI ESG Research Inc. and certain of its subsidiaries, we believe that our products do not constitute or provide investment advice as contemplated by the Investment Advisers Act of 1940 ("Advisers Act"). Future developments in our product line or changes to current laws, rules or regulations could cause this status to change. The Advisers Act imposes fiduciary duties, recordkeeping and reporting requirements, disclosure requirements, limitations on agency and principal transactions between an adviser and advisory clients, as well as general anti-fraud prohibitions. It is possible that in addition to MSCI ESG Research and certain of its subsidiaries, other entities in our corporate family may be required to register as an investment adviser under the Advisers Act or comply with similar laws or requirements in states or foreign jurisdictions.

- *Dodd-Frank Act and Other Financial Regulations*. As a result of the global financial crisis, the U.S. Congress undertook major financial reform which led to the enactment on July 21, 2010 of the Dodd-Frank Act. The Dodd-Frank Act could have a significant impact on many aspects of the way in which the financial services industry conducts business and has and will continue to impose substantial new regulation on, and regulatory oversight of, a wide variety of financial services institutions. Although many of the effects of the Dodd-Frank Act will be largely unknown until all of the regulations have been finalized and implemented, complying with its existing and future requirements could negatively impact the business, operations and financial viability of many of our clients which, in turn, could have a negative impact on our business, and results of operations.

We may also be materially adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets around the world. In addition, we may be materially adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

In some instances, in connection with the provision of data and services, we have incurred additional costs to implement processes and systems at the request of our clients to ensure that the products and services that they in turn provide to their clients using our data are compliant with the financial regulations to which our clients may be subject. To the extent that our clients are subject to increased regulation, we may be indirectly impacted and could incur increased costs that could have a negative impact on the profitability of certain products.

- *Data Privacy Legislation*. Changes in laws, rules or regulations, or consumer environments relating to privacy or information collection and use may affect our ability to collect and use personal data. There could be a material adverse impact on our direct marketing due to the enactment of legislation or industry regulations, or simply a change in practices, arising from public concern over privacy issues. Restrictions could be placed upon the collection, management, aggregation, storage and use of information that is currently legally available, in which case our cost of collecting certain types of data could materially increase. It is also possible that we could be prohibited from collecting, storing or disseminating certain types of data, which could materially adversely affect our ability to meet our clients' needs.

- *Potential and Proposed Regulation Affecting Benchmarks*. On September 18, 2013, the European Commission issued its proposal for regulating indexes used as benchmarks in financial instruments and financial contracts and as benchmarks used to measure the performance of investment funds (COM (2013) 641/3 and 2013/0314 (COD)). Agreement in principle has been reached among the European Commission, Parliament and Council and we expect that the final regulation, when adopted and implemented, will govern many aspects of our equity and real estate index product lines, including, but not limited to, index development, calculation, dissemination, governance, maintenance and recordkeeping, as well as input data licensing, collection and dissemination. Because final guidance on the relevant technical standards has not yet been drafted by the European Securities and Markets Authority ("ESMA"), it is difficult to predict its full effect on our index business. Nevertheless, our compliance with any one or more substantive provisions of the final regulation, which we do not expect to be required until late 2017 or early 2018, could have a material adverse effect on our business practices and/or our ability to offer indexes in the European Union, including without limitation, by materially increasing our costs of doing business, diminishing our intellectual property rights, imposing constraints on our ability to meet contractual commitments to our data contributors, or causing our data contributors to refuse to contribute data to us at a reasonable cost or at all.

On October 20, 2011, the European Commission issued its proposal for MiFID/MiFIR 2 (COM (2011) 0652 and COM (2011) 0656). Agreement in principle has been reached among the European Commission, Parliament and Council, and we expect that the regulation when it becomes effective and when our compliance is required (expected in 2019), will, among other things, mandate that, where the value of a financial instrument is calculated by reference to a benchmark, a person with proprietary rights to the benchmark will be required to ensure that clearing entities and trading venues may license the benchmark and receive relevant price and data feeds and information regarding the composition, methodology and pricing of the benchmark for the purposes of clearing and trading. It is also expected that access to such licenses and information will have to be offered by the benchmark owner within three months of the request and on fair, reasonable and non-discriminatory terms that are no less favorable than the terms offered to other trading venues unless a different basis can be objectively justified. Because final guidance on the relevant technical standards has not yet been issued by ESMA, it is difficult to predict its full effect on our index business. In the event that compliance with this regulation leads to a material change in our business practices or our ability to offer our indexes, materially increases our cost of doing business or materially diminishes our intellectual property rights, it could have a material adverse effect on our index business.

On December 18, 2012, ESMA published guidelines on ETFs and other Undertakings for Collective Investment in Transferable Securities (“UCITS”) issues (ESMA/2012/832EN), which are updated from time to time by ESMA (“Guidelines”). The Guidelines limit the types of indexes that can be used as the basis of UCITS funds and require, among other things, index constituents, together with their respective weightings, to be made easily accessible free of charge, such as via the Internet, to investors and prospective investors on a delayed and periodic basis. The Guidelines became effective as of February 17, 2013 with respect to newly launched UCITS funds. They became effective for all UCITS funds on February 17, 2014. We have made available a client communication with respect to our policies as they relate to the Guidelines. To the extent that ESMA issues new guidance or different or new interpretations with respect to the Guidelines, complying with such guidance could have a negative impact on our business and results of operations, including a material negative impact on our licensing of index data and/or our indexes as the basis of ETFs and UCITS. Additionally, other jurisdictions outside of Europe have adopted, and others could adopt, similar concepts, proposals or regulations.

On July 17, 2013, the International Organization of Securities Commissions (“IOSCO”) published its final report on principles for financial benchmarks (“IOSCO Principles”). The IOSCO Principles cover conflicts of interest, benchmark quality and integrity, methodology requirements, procedures related to handling complaints, documentation requirements and audit reviews. The IOSCO Principles require benchmark administrators to publicly disclose whether they comply with the IOSCO Principles within 12 months of their initial publication, with such compliance subject to audit. On July 16, 2014, we announced our implementation of the IOSCO Principles and have posted our annual audit results on our website. Additionally, other jurisdictions could adopt similar principles or concepts, which could lead to a material change in our business practices or our ability to offer our indexes, materially increase our cost of doing business, materially diminish our intellectual property rights, materially impact our contractual commitments to our data contributors or cause our data contributors to refuse to contribute data to us at a reasonable cost or at all, any of which could have material adverse effect on our equity and real estate index product lines.

Our clients may become more self-sufficient, which may reduce demand for our products and materially adversely affect our business, financial condition or results of operations.

Our clients may develop internally certain functionality contained in the products they currently license from us. For example, some of our clients who currently license our risk data to analyze their portfolio risk may develop their own tools to collect data and assess risk, making our products unnecessary for them. Similarly, a number of our clients have obtained regulatory clearance to create indexes for use as the basis of ETFs that they manage. Additionally, in August 2011, BlackRock announced that it was seeking regulatory clearance to create indexes for use as the basis of ETFs that it would manage. To the extent that our clients become more self-sufficient, demand for our products may be reduced, which could have a material adverse effect on our business, financial condition or results of operations. A growing number of asset managers and investment banks, in partnership with index providers that offer calculation agent services, or acting together with an industry group or association, have created or may create their own range of proprietary indexes, which they use to manage funds or as the basis of ETFs, structured products or OTC derivatives. See "*—A limited number of clients account for a material portion of our revenue. Cancellation of subscriptions or investment product licenses by any of these clients could have a material adverse effect on our business, financial condition or results of operations*" above and "*—Increased competition in our industry may cause price reductions or loss of market share, which may materially adversely affect our business, financial condition or results of operations*" above.

Legal protections for our intellectual property rights and other rights may not be sufficient or available to protect our competitive advantages. Third parties may infringe on our intellectual property rights, and third-party litigation may materially adversely affect our ability to protect our intellectual property rights.

We consider many aspects of our products and processes to be proprietary. We rely primarily on a combination of trade secret, patent, copyright and trademark rights, as well as contractual protections and technical measures, to protect our products and processes. Despite our efforts, third parties may still try to challenge, invalidate or circumvent our rights and protections. There is no guarantee that any trade secret, patent, copyright or trademark rights that we may obtain will protect our competitive advantages, nor is there any assurance that our competitors will not infringe upon our rights. As we have experienced, even if we attempt to protect our intellectual property rights through litigation, it may require considerable cost, time and resources to do so, and there is no guarantee that we will be successful. Furthermore, our competitors may also independently develop and patent or otherwise protect products and processes that are the same or similar to ours. In addition, the laws of certain foreign countries in which we operate do not protect our proprietary rights to the same extent as do the laws of the U.S. Also, some elements of our products and processes may not be subject to intellectual property protection.

- Trademarks and Service Marks—We have registered "MSCI," "Barra," "FEA," "InvestorForce," "IPD" and "RiskMetrics" as trademarks or service marks in the U.S. and in certain foreign countries. We have also registered other marks for certain products and services in the U.S. and in certain foreign countries. When we enter a new geographic market or introduce a new product brand, there can be no assurance that our existing trademark or service mark of choice will be available. Furthermore, the fact that we have registered trademarks is not an assurance that other companies may not use the same or similar names.
- Patents—We currently hold 23 U.S. and foreign patents. We currently have three U.S. patent applications pending. Patent applications can be extremely costly to process and defend. There can be no assurance that we will be issued any patents that we apply for or that any of the rights granted under any patent that we obtain will be sufficient to protect our competitive advantages.
- Copyrights—We believe our proprietary software and proprietary data are copyright protected. If a court were to determine that any of our proprietary software or proprietary data, such as our index level data, is not copyright protected, it could have a material adverse effect on our business, financial condition or results of operations.
- Confidentiality and Trade Secrets—Our license agreements limit our clients' right to copy or disclose our proprietary software and data. It is possible, however, that a client might still make unauthorized copies of our proprietary software or data, which could have a material adverse effect on our business, financial condition or results of operations. For example, if a client who licensed a large volume of our proprietary historical data made that information publicly available, we might lose potential clients who could freely obtain a copy of the data. We also seek to protect our proprietary software and data through trade secret protection and through non-disclosure obligations with our employees. However, if an employee breaches his or her non-disclosure obligation and reveals a trade secret or other confidential information, we could lose the trade secret or confidentiality protection, which could have a material adverse effect on our business, financial condition or results of operations. Furthermore, it may be very difficult to ascertain if a former employee is inappropriately using or disclosing our

confidential or proprietary information. We have investigated suspicions that former employees have used or disclosed our confidential or proprietary information, but we may not be able to determine with certainty whether misappropriation has occurred.

Likewise, we cannot be certain that we are aware or in the future will be aware of every instance in which this sort of behavior may occur. Additionally, the enforceability of our license and other agreements' non-disclosure obligations and the availability of remedies to us in the event of a breach may vary due to the many different jurisdictions in which our clients and employees are located.

- License Agreements—Our products are generally made available to end users on a periodic subscription basis under a license agreement signed by the client. We also permit access to some data, such as certain index information, through the Internet under online licenses that are affirmatively acknowledged by the licensee or under terms of use. There can be no assurance that third parties will abide by the terms of our licenses or that all of our license agreements will be enforceable. See "—*We are dependent on the use of third-party software and data, and any reduction in third-party product quality or any failure by us to comply with our licensing requirements could have a material adverse effect on our business, financial condition or results of operations*" below for risks associated with the use of intellectual property obtained from third parties.
- Third-Party Litigation—There have been a number of lawsuits in multiple jurisdictions, including in the U.S. and Germany, regarding whether issuers of index-linked investment products are required to obtain a license from the index owner or whether issuers may issue investment products based on a publicly-available index level data without obtaining permission from (or making payment to) the index owner. The outcome of these cases depends on a number of factors, including the governing law, the amount of information about the index available without a license and the other particular facts and circumstances of the cases. In some instances, the results of these cases are favorable to the index owner, as in a case originally filed in the Illinois state courts in 2006 involving the International Securities Exchange and its proposed use of the Dow Jones Industrial Average and the S&P 500 index. In other instances, the results have been unfavorable to the index owner, as in a 2009 case in German federal court ruling that the owner of an index trademark who publishes the index in a manner generally available to all market participants cannot prohibit, on the basis of German trademark law, a third party from referring to the index as a reference value in options issued by the third party if the trademark is used for informational and factual purposes and its use does not imply that a relationship exists with the trademark owner. If other courts or regulators or other governmental bodies in relevant jurisdictions determine that a license is not required to issue investment products linked to indexes, this could have a material adverse effect on our business, financial condition or results of operations. See "—*Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations*" above. It might also lead to changes in current industry practices such that we would no longer make our index level data publicly available, such as via our website or news media, on a timely basis.

Third parties may claim we infringe upon their intellectual property rights. Such claims would likely be costly to defend, could require us to pay damages or limit our future use of certain technologies, which could have a material adverse effect on our business, financial condition or results of operations.

Third parties may claim we infringe upon their intellectual property rights. Businesses operating in the financial services sector, including our competitors and potential competitors, have increasingly pursued or may consider pursuing patent protection for their technologies and business methods. If any third parties were to obtain a patent on a relevant index methodology, risk model, software application or other relevant product or process, we could be sued for infringement. Furthermore, there is always a risk that third parties will sue us for infringement or misappropriation of other intellectual property rights, such as trademarks, copyrights or trade secrets. From time to time, such complaints are filed by or we receive such notices from others alleging intellectual property infringement or potential infringement. The number of these claims may grow.

Responding to intellectual property claims, regardless of merit, can consume valuable time, result in costly litigation or cause delays. We may be forced to settle such claims on unfavorable terms, and there can be no assurance that we would prevail in any litigation arising from such claims if such claims are not settled. We may be required to pay damages, to stop selling or using the affected products or applications or to enter into royalty and licensing agreements. There can be no assurance that any royalty or licensing agreements will be made, if at all, on terms that are commercially acceptable to us. From time to time we receive notices calling upon us to defend partners, clients, suppliers or distributors against such third-party claims under indemnification clauses in our contracts. If any of these risks materialize, the impact of claims of intellectual property infringement could have a material adverse effect on our business, financial condition or results of operations.

Our use of open source code could impose unanticipated delays or costs in deploying our products, or impose conditions or restrictions on our ability to commercialize our products or keep them confidential.

We rely on open source code to develop software and to incorporate it in our products, as well as to support our internal systems and infrastructure. The use of open source code may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Further, some open source licenses provide that if we combine our proprietary software with open source software in a certain manner, we could be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products with less development effort and time and ultimately put us at a competitive disadvantage. Additionally, the terms of many open source code licenses are ambiguous and have not been interpreted by U.S. courts. Accordingly, there are risks that there may be a failure in our procedures for controlling the usage of open source code or that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. In either event, we could be required to seek licenses from third parties on terms that are not commercially feasible in order to continue offering our products, to make generally available (in source code form) portions of our proprietary code, to re-engineer our products or systems, to discontinue the licensing of our products if re-engineering could not be accomplished on a timely or cost-effective basis, or to take other remedial action that could divert resources away from our development efforts. Any of these requirements could materially adversely affect our business, financial condition or results of operations.

We are dependent on the use of third-party software and data, and any reduction in third-party product quality or any failure by us to comply with our licensing requirements could have a material adverse effect on our business, financial condition or results of operations.

We rely on third-party software and data in connection with our product development and offerings. We depend on the ability and willingness of third-party software and data providers to deliver and support reliable products, enhance their current products, develop new products on a timely and cost-effective basis, and respond to emerging industry standards and other technological changes. The third-party software and data we use may become obsolete or incompatible with future versions of our products. We also monitor our use of third-party software and data to comply with applicable license requirements. Despite our efforts, our use of certain third-party software and data has been challenged in the past and there can be no assurance that such third parties may not challenge our use in the future, resulting in increased software or data acquisition costs, loss of rights and/or costly legal actions. Our business could be materially adversely affected if we are unable to timely or effectively replace the functionality provided by software or data that becomes unavailable or fails to operate effectively for any reason. In addition, our operating costs could increase if license fees for third-party software or data increase or the efforts to incorporate enhancements to third-party or other software or data are substantial. Some of these third-party suppliers are also our competitors, increasing the risks noted above. If any of these risks materialize, they could have a material adverse effect on our business, financial condition or results of operations.

If our products contain undetected errors or fail to perform properly due to defects, malfunctions or similar problems, it could have a material adverse effect on our business, financial condition or results of operations.

Products we develop or license, including our indexes, may contain undetected errors or defects despite testing. Such errors can exist at any point in a product's life cycle, but are frequently found after introduction of new products or enhancements to existing products. We continually introduce new methodologies and products, and new versions of our products. Despite internal testing and testing by current clients, our current and future products may contain serious defects or malfunctions. If we detect any errors before we release a product or publish a methodology, we might have to delay the product or index release for an extended period of time while we address the problem. We may not discover errors that affect our new or current products or enhancements until after they are deployed, and we may need to provide enhancements to correct such errors, and in certain cases it may be impracticable to correct such errors. If undetected errors exist in our products or methodologies, or if our products fail to perform properly due to defects, malfunctions or similar problems, it could result in harm to our reputation, lost sales, delays in commercial release, third party claims, contractual disputes, negative publicity, delays in or loss of market acceptance of our products, license terminations or renegotiations and/or unexpected expenses and diversion of resources to remedy or mitigate such errors. Additionally, any undetected errors, defects, malfunctions or similar problems in our products or methodologies could lead to significant failures, disruptions or slowdowns with respect to our product delivery to clients. The realization of any of these events could materially adversely affect our business, financial condition or results of operations. See "—*Our business relies heavily on electronic delivery systems, the Internet and our information technology platform, and any failures, disruptions or instability may materially adversely affect our ability to serve our clients*" above and "—*We may become subject to liability based on the use of our products to support our clients' investment processes*" below.

Our business is dependent on our clients' continued investment in equity securities as well as the measurement of the performance of our clients' equity investments against equity benchmarks. If investment in equity markets declines, if our clients significantly reduce their investments in equity securities, or if they discontinue the use of equity benchmarks to measure performance, our business, financial condition or results of operations could be materially adversely affected.

A significant portion of our revenues comes from our products that are focused on various aspects of managing or monitoring equity portfolios. Volatility in equity markets over an extended period or other factors may lead to an overall decline in the viability of such markets, which could reduce new business opportunities for us and our clients. To the extent our clients significantly deemphasize equity securities in their investment strategies, the demand for our equity products would likely decrease, which could have a material adverse effect on our business, financial condition or results of operations. See "—*Our revenues attributable to asset-based fees may be affected by changes in the capital markets, particularly the equity capital markets. A decrease in our revenues attributable to these products could have a material adverse effect on our business, financial condition or results of operations*" above.

Additionally, our equity index products serve as equity benchmarks against which our clients can measure the performance of their investments. If clients decide to measure performance on an absolute return basis instead of against an equity benchmark, the demand for our equity indexes could decrease. Any such decrease in demand for our equity index products could have a material adverse effect on our business, financial condition or results of operations.

Cancellation of subscriptions or investment product licenses or renegotiation of terms by a significant number of clients could have a material adverse effect on our business, financial condition or results of operations.

Our principal business model is to license annual, recurring subscriptions to our products for use at specified locations and often by a given number of users or for a certain volume of products or services. For most of our products, our clients may cancel their subscriptions or investment product licenses at the end of the current term. While we believe the annual, recurring subscription model supports our marketing efforts by allowing clients to subscribe without the requirement of a long-term commitment, the cancellation of subscriptions or investment product licenses by a significant number of clients at any given time may have a material adverse effect on our business, financial condition or results of operations.

Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and materially adversely affect our business, financial condition or results of operations.

In recent years, the availability of free or relatively inexpensive information has increased, particularly through advances in public cloud computing and the increase in open source as well as proprietary software, and this trend may continue. The availability of free or relatively inexpensive information may reduce demand for our products. Weak economic conditions can also result in clients seeking to utilize lower-cost information that is available from alternative sources. To the extent that our clients choose to use these sources for their information needs, our business, financial condition or results of operations may be materially adversely affected. See "*—Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations—Potential and Proposed Regulation Affecting Benchmarks*" above.

Our financial condition and results of operations may be negatively impacted to the extent that our current and potential future clients are affected by adverse changes in the financial markets.

Unfavorable changes in global or domestic financial market conditions may negatively impact the performance and financial viability of our current and potential clients, the majority of which are in the financial services industry. As a result, adverse financial market conditions could result in reduced demand for our products and services due to, among other things, the closure or consolidation of our clients, a decrease in the number of fund launches, including hedge fund launches or a shift in our clients' investment patterns; the inability of our customers to pay for products or services, including forgoing products or services, delaying payment or underpaying; prolonged selling and renewal cycles; and increased reserves for doubtful accounts and write-offs of accounts receivable.

If we are unable to successfully identify, execute and realize synergies from acquisitions, or if we experience integration, financing, or other risks resulting from our acquisitions, our financial results may be materially adversely affected.

An element of our growth strategy is growth through acquisitions. As we continue pursuing selective acquisitions to support our growth strategy, we seek to be a disciplined acquirer, and there can be no assurance that we will be able to identify suitable candidates for successful acquisition at acceptable prices. In addition, our ability to achieve the expected returns and synergies from our past and future acquisitions depends in part upon our ability to effectively integrate the offerings, technology, sales, administrative functions and personnel of these businesses into our business. We cannot assure you that we will be successful in integrating acquired businesses or that our acquired businesses will perform at the levels we anticipate. In addition, our past and future acquisitions may subject us to unanticipated risks or liabilities or disrupt our operations. Any acquisition could present a number of risks, including:

- incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring operations or assets;
- failure to integrate the operations or management of any acquired operations or assets successfully and on a timely and cost effective basis;
- failure to achieve assumed synergies;
- insufficient knowledge of the operations and markets of acquired businesses, including where the acquired company operates in many countries and in markets with which we have limited experience;

- increased debt, which may be incurred under terms less favorable than those associated with our current debt and which may, among other things, reduce our free cash flow and increase our risk of default;
- dilution of our common stock;
- loss of key personnel;
- diversion of management's attention from existing operations or other priorities; and
- inability to secure, on terms we find acceptable, sufficient financing that may be required for any such acquisition or investment.

In the event that we experience a high level of acquisition-related activity within a limited period of time, the possibility of occurrence of these risks would likely increase for that period. In addition, if we are unsuccessful in completing acquisitions of other businesses, operations or assets or if such opportunities for expansion do not arise, our future growth, business, financial condition or results of operations could be materially adversely affected.

Our revenues, expenses, assets and liabilities are subject to foreign currency exchange rate fluctuation risk.

We are subject to foreign currency exchange rate fluctuation risk. Exchange rate movements can impact the U.S. dollar reported value of our revenues, expenses, assets and liabilities denominated in non-U.S. dollar currencies or where the currency of such items is different than the functional currency of the entity where these items were recorded.

For all operations outside the U.S. where the Company has designated the local non-U.S. dollar currency as the functional currency, revenue and expenses are translated using average monthly exchange rates and assets and liabilities are translated into U.S. dollars using month-end exchange rates. For these operations, currency translation adjustments arising from a change in the rate of exchange between the functional currency and the U.S. dollar are accumulated in a separate component of shareholders' equity. In addition, transaction gains and losses arising from a change in exchange rates for transactions denominated in a currency other than the functional currency of the entity are reflected in non-operating "Other expense (income), net" in our Consolidated Statement of Income.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of our clients in Euros, British pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. For the years ended December 31, 2015 and 2014, 17.8% and 20.2%, respectively, of our revenues are subject to foreign currency exchange rate risk and primarily includes clients billed in foreign currency as well as U.S. dollar exposures on non-U.S. dollar foreign operating entities. Of the 17.8% of non-U.S dollar exposure for the year ended December 31, 2015, 37.0% was in British pounds sterling, 35.8% was in Euros and 21.6% was in Japanese yen. Of the 20.2% of non-U.S dollar exposure for the year ended December 31, 2014, 38.3% was in Euros, 34.0% was in British pounds sterling and 21.7% was in Japanese yen.

Revenues from index-linked investment products represented 18.4% and 17.8% of operating revenues for the years ended December 31, 2015 and 2014, respectively. While a substantial portion of our fees for index-linked investment products are invoiced in U.S. dollars, the fees are based on the investment product's assets, of which two-thirds are invested in securities denominated in currencies other than the U.S. dollar. Accordingly, declines in such other currencies against the U.S. dollar will decrease the fees payable to us under such licenses. In addition, declines in such currencies against the U.S. dollar could impact the attractiveness of such investment products resulting in net fund outflows, which would further reduce the fees payable under such licenses.

We are exposed to additional foreign currency risk in certain of our operating costs. Approximately 41.3% and 43.1% of our operating expenses, including operating expense attributable to income (loss) from discontinued operations, net of income taxes, for the years ended December 31, 2015 and 2014, respectively, were denominated in foreign currencies, the significant majority of which were denominated in British pounds sterling, Indian rupees, Swiss francs, Euros, Hungarian forints, Hong Kong dollars, Chinese yuan and Mexican pesos. Expenses incurred in foreign currency may increase as we expand our business outside the U.S.

We have certain monetary assets and liabilities denominated in currencies other than local functional amounts and when these balances were remeasured into their local functional currency, either a gain or a loss resulted from the change of the value of the functional currency as compared to the originating currencies. We manage foreign currency exchange rate risk, in part, through the use of derivative financial instruments comprised principally of forward contracts on foreign currency which are not designated as hedging instruments for accounting purposes. The objective of the derivative instruments is to minimize the income statement impact associated with amounts denominated in certain foreign currencies. We recognized total foreign currency exchange losses of $2.2 million and $3.0 million for the years ended December 31, 2015 and 2014, respectively. Although we believe that our guidelines and policies are reasonable and prudent, any hedging instruments that we may enter into in the future may not be successful, resulting in an adverse impact on our results of operations.

To the extent that our international activities recorded in local currencies increase or decrease in the future, our exposure to fluctuations in currency exchange rates may correspondingly increase and could have a material adverse effect on our business, financial condition or results of operations.

We may become subject to liability based on the use of our products to support our clients' investment processes.

Our products support the investment processes of our clients, which relate to, in the aggregate, trillions of dollars in assets. Use of our products as part of the investment process creates the risk that our clients, or the parties whose assets are managed by our clients, may pursue claims against us for very significant dollar amounts based on what may be alleged to be even a small error in certain of our products. Our client agreements have provisions designed to limit our exposure to potential liability claims brought by our clients or third parties based on the use of our products or failure to provide services under our client contracts. However, these provisions do not always eliminate liability entirely and may have certain exceptions that could result in the provision of credits, contractual penalties and adverse monetary judgments, or be invalidated by unfavorable judicial decisions or by federal, state, foreign or local laws.

Claims against us, even if the outcome were to be ultimately favorable to us, would involve a significant commitment of our management, personnel, financial and other resources and could have a negative impact on our reputation or pose a significant disruption to our normal business operations. In addition, the duration or outcome of such claims and lawsuits is difficult if not impossible to predict, which could further exacerbate the adverse effect they may have on our business operations.

Our indebtedness could materially adversely affect our business, financial condition or results of operations.

The Company has issued an aggregate principal amount of $1.6 billion in senior unsecured notes in two discrete private offerings of $800.0 million each. On November 20, 2014, we completed a private offering of $800.0 million aggregate principal amount of 5.250% Senior Notes due 2024 (the "2024 Senior Notes") and entered into a new $200.0 million senior unsecured revolving credit agreement (our "2014 Revolving Credit Agreement"). We used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to prepay in full the $794.8 million of outstanding indebtedness under our amended and restated senior secured term loan facility. On August 13, 2015, the Company completed its second private offering of $800.0 million aggregate principal amount of 5.750% Senior Notes due 2025 (the "2025 Senior Notes," and together with the 2024 Senior Notes, the "Senior Notes"). The Company intends to use the net proceeds from the offering of the

2025 Senior Notes for general corporate purposes, including, without limitation, previously announced repurchases of our common stock. See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” for additional information regarding our 2014 Revolving Credit Agreement and the Senior Notes.

As of December 31, 2015, we had $1.6 billion of outstanding indebtedness under the Senior Notes and $200.0 million of undrawn aggregate commitments under our 2014 Revolving Credit Agreement, which includes $25.0 million for the issuance of letters of credit. Any borrowings under our 2014 Revolving Credit Agreement may be voluntarily prepaid and reborrowed. However, the undrawn portion of the aggregate commitments is subject to an unused commitment fee, which, upon specified increases in leverage, will rise by the applicable margin (as defined below).

The Senior Notes and our 2014 Revolving Credit Agreement are fully and unconditionally, and jointly and severally, guaranteed by our direct or indirect wholly-owned domestic subsidiaries that account for more than 5% of our and our subsidiaries’ consolidated assets, other than certain excluded subsidiaries (the “subsidiary guarantors”). Any amounts due under our 2014 Revolving Credit Agreement would be our and the subsidiary guarantors’ senior unsecured obligations and rank equally with the Senior Notes and any of our other unsecured, unsubordinated debt, senior to any of our subordinated debt and effectively subordinated to our secured debt to the extent of the assets securing such debt. Our 2014 Revolving Credit Agreement and the indentures dated as of November 20, 2014 and August 13, 2015, governing our Senior Notes, respectively (together, the “Indentures governing our Senior Notes”), among us, each of the subsidiary guarantors, and Wells Fargo Bank, National Association, as trustee, contain restrictive covenants that limit our ability and our existing and future subsidiaries’ abilities to, among other things, incur liens; incur additional indebtedness; make investments; make acquisitions, merge, dissolve, liquidate, consolidate with or into another person; sell, transfer or dispose of assets; pay dividends or other distributions in respect of our capital stock; change the nature of our business; enter into any transactions with affiliates other than on an arm’s length basis; and prepay, redeem or repurchase debt. In addition, the Indentures governing our Senior Notes restrict our non-guarantor subsidiaries’ ability to create, assume, incur or guarantee additional indebtedness without such non-guarantor subsidiaries guaranteeing the Senior Notes on a *pari passu* basis.

Our 2014 Revolving Credit Agreement also requires us to comply with the following two financial ratio maintenance covenants, which are tested at least quarterly on a rolling four-quarter basis: (i) our maximum consolidated leverage ratio must not exceed 3.75:1.00 and (ii) our minimum consolidated interest coverage ratio must be at least 4.00:1.00. Under the terms of our 2014 Revolving Credit Agreement, certain increases (or decreases) in our consolidated leverage ratio may result in an increase (or decrease) in the fees applicable to (i) outstanding borrowings under such facility and (ii) undrawn commitments under such facility, in each case, in a predetermined percentage amount (the “applicable margin”). If we experience, as of a scheduled quarterly test date, an increase in our consolidated leverage ratio above a threshold amount specified in our 2014 Revolving Credit Agreement, the interest rates on our outstanding borrowings and/or the fee rate on our unused commitments will rise by the applicable margin. Consequently, any increase in our consolidated leverage ratio could result in higher debt service costs under such facility, even if we do not have borrowings outstanding under such facility.

On August 13, 2015, the Company completed the offering of the 2025 Senior Notes, which caused our Consolidated Leverage Ratio to increase to 3.08:1.00 as of December 31, 2015. As a result of our increase in leverage, we are currently subject to the highest applicable margin provided for under our 2014 Revolving Credit Agreement, which has increased the rate on our unused commitments to 0.35%.

In addition, our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes contain certain affirmative covenants. Any of these restrictions may interfere with our ability to obtain financings and to engage in business activities, which could have a material adverse effect on our business, financial condition or results of operations. See “*—A change in our credit ratings could materially adversely affect our financial condition*” below.

If we incur substantial additional indebtedness, the risks described above could be further exacerbated.

We may need to incur additional indebtedness, including secured indebtedness, in the future in the ordinary course of business. The terms of our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes restrict, but do not completely prohibit, us from doing so. Our 2014 Revolving Credit Agreement provides for an incremental facility that allows us to increase aggregate commitments by an additional $200.0 million under certain circumstances. In addition, the Indentures governing our Senior Notes allows us to issue additional Senior Notes under certain circumstances. Accordingly, we may be able to incur substantial additional debt from time to time under our existing debt agreements and otherwise, to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our level of indebtedness could intensify. Specifically, a high level of indebtedness could, among other things:

- require us to dedicate a substantial portion of our cash flows from operations or proceeds of any equity issuance or additional debt incurrence to payments on our indebtedness, reducing the availability of our cash flow to fund working capital, capital expenditures, dividend payments, development activity, acquisitions and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the markets in which we operate;
- make us more vulnerable to increases in interest rates, as borrowings under our 2014 Revolving Credit Agreement are at variable rates;
- limit our ability to obtain additional financing in the future for working capital or other purposes, such as raising the funds necessary to repurchase all of the Senior Notes tendered to us upon the occurrence of specified changes of control in our ownership;
- increase our interest expense;
- make it difficult for us to optimally capitalize and manage the cash flow for our business; and
- place us at a competitive disadvantage compared to our competitors that have less indebtedness.

If we are unable to comply with the restrictions and covenants in our debt agreements, there could be a default under the terms of such agreements, which could result in an acceleration of repayment.

If we are unable to comply with the restrictions and covenants in our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes, there could be a default under the terms of these debt agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control including prevailing economic, financial and industry conditions. As a result, there can be no assurance that we will be able to comply with these restrictions and covenants or meet such financial ratios and tests, and any such default under our debt agreements could have a material adverse effect on our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities.

Additionally, if certain events of default occur, continue or remain uncured under our debt agreements, we are required to repurchase, redeem, repay or prepay, as the case may be, the debt under such agreement prior to maturity and/or such debt could become accelerated and immediately due and payable. For example, upon the occurrence of specified changes of control in our ownership, the holders of the Senior Notes have the right to compel us to repurchase all or part of the 2024 Senior Notes or 2025 Senior Notes, as applicable, in cash at a price equal to 101.0% of the aggregate principal amount to be repurchased plus accrued interest. Additionally, the holders of the 2024 Senior Notes or 2025 Senior Notes may, in connection with certain events of default, accelerate the principal amount of the 2024 Senior Notes or 2025 Senior Notes, as applicable, together with accrued and unpaid interest, and declare the same to be due and payable after giving the required notice.

Likewise, under our 2014 Revolving Credit Agreement, the lenders may, in connection with certain events of default, elect to terminate borrowing commitments and declare all outstanding borrowings, together with accrued and unpaid interest and other fees, to be due and payable.

Our debt agreements also contain cross-default or cross-acceleration provisions, pursuant to which a default is deemed to have occurred under such agreement if a default or acceleration occurs under another debt agreement. For example, our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes contain cross-default provisions relating to nonpayment by us or any of our subsidiaries in connection with debt aggregating $50.0 million or more (subject to certain cure periods). If any of the above events should occur, we and our subsidiaries may not have sufficient assets to repay in full all of our outstanding indebtedness. Additionally, we may not be able to amend our debt agreements or obtain needed waivers on satisfactory terms.

To service our indebtedness, we will require a significant amount of cash. However, our ability to generate cash depends on many factors beyond our control. If we are unable to generate a sufficient amount of cash, our financial condition and results of operations could be negatively impacted.

Our ability to make payments on our indebtedness and to fund planned capital expenditures depends on our ability to generate and access cash in the future, which, in turn, is subject to general economic, financial, competitive, regulatory and other factors, many of which are beyond our control. We cannot assure you that we will maintain cash flows sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. Our business may not generate sufficient cash flow from operations and we may not have available to us future borrowings in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. In these circumstances, we may need to refinance all or a portion of our indebtedness on or before maturity. However, we may not be able to secure additional financing on terms favorable or acceptable to us or at all. If we cannot refinance or otherwise pay our obligations as they mature and fund our liquidity needs, our business, financial condition, results of operations, cash flows, liquidity, ability to obtain financing and ability to compete in our industry could be materially adversely affected.

Absent sufficient cash flow and the ability to refinance, we could also be forced to sell assets to make up for any shortfall in our payment obligations. However, the terms of our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes limit our and our subsidiaries’ ability to sell assets and also restrict the use of proceeds from such a sale. Accordingly, we may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations on our indebtedness.

Increased costs of financing, a reduction in the availability of short-term and long-term funding and access to capital, fluctuations in the levels of interest rates and inflation, could materially adversely affect our liquidity, operating expenses or results of operations.

At December 31, 2015, we had no borrowings outstanding under our 2014 Revolving Credit Agreement and all of our outstanding long-term debt was subject to a fixed interest rate. Adverse conditions in the domestic and global financial markets could, however, increase our costs for additional financing and negatively affect our ability to refinance, repurchase, redeem, repay or prepay, as the case may be, our debt at or prior to maturity, raise capital or fund other types of obligations. Our access to capital is also impacted by changes in interest rates and inflation, which could restrict the availability to us of short-term and long-term funding. Recent interest rates in the U.S. have been at historically low levels, and increases in these rates could increase our interest expense and reduce our funds available for operations and other purposes with respect to newly incurred debt, or borrowings, if any, under our 2014 Revolving Credit Agreement. Additionally, any downgrades to our credit rating or outlook may increase the cost, and reduce the availability, of financing. See “—*A change in our credit ratings could materially adversely affect our financial condition*” below.

If we borrow under our 2014 Revolving Credit Agreement, such indebtedness would bear interest at fluctuating interest rates, primarily based on the London Interbank Offered Rate (“LIBOR”) for deposits of U.S.

dollars. LIBOR tends to fluctuate based on general economic conditions, general interest rates, Federal Reserve rates and the supply of and demand for credit in the London interbank market. Increases in the interest rate generally, and particularly when coupled with any significant variable rate indebtedness, could materially adversely impact our interest expenses. To the extent we borrow under our 2014 Revolving Credit Agreement, we are not required to enter into interest rate swaps to hedge such indebtedness. If we decide not to enter into hedges on such indebtedness, our interest expense on such indebtedness will fluctuate based on LIBOR or other variable interest rates. Consequently, we may have difficulties servicing such unhedged indebtedness and funding our other fixed costs, and our available cash flow for general corporate requirements may be materially adversely affected.

If we do enter into interest rate swap agreements, developing an effective strategy for movements in interest rates is complex, and no strategy can completely insulate us from risks associated with such fluctuations. In addition, the counterparty to a derivative instrument could default on its obligation thereby exposing us to credit risk. Further, we may have to repay certain costs, such as transaction fees or brokerage costs, if a derivative instrument is terminated by us. Finally, our interest rate risk management activities could expose us to substantial losses if interest rates move materially differently from our expectations. As a result, our interest rate hedging activities may not effectively manage our interest rate sensitivity or have the desired beneficial impact on our financial condition or results of operations.

A change in our credit ratings could materially adversely affect our financial condition.

Our credit ratings are not recommendations to buy, sell or hold any of our common stock or outstanding debt. Our outstanding debt under the Senior Notes, which amounts to an aggregate principal amount of approximately $1.6 billion, currently has a non-investment grade rating. Any rating assigned to such debt is subject to ongoing evaluation by the credit rating agencies and could be lowered or withdrawn entirely at any time by such agency if, in the agency's judgment, future circumstances relating to the basis of the rating so warrant. Such future circumstances include, but are not limited to, adverse changes to our results of operations, financial condition or cash flows, or revisions to our corporate strategy pertaining to capitalization or leverage. For example, on July 28, 2015, the Board of Directors authorized corporate action that led to a change in the Company's target leverage and interest expense, allowing for the issuance of our 2025 Senior Notes on August 13, 2015. Following the Board of Directors' authorization, one of the ratings agencies described the increase as substantially higher than current leverage levels and as a result downgraded our credit rating. This recent downgrade, and any further downgrade, could adversely affect the amount of capital we can access, as well as the terms of any financing we obtain.

In addition, our debt covenants contain certain obligations that are triggered by a change in our credit rating. The Senior Notes contain covenants that require the Company to offer to repurchase the 2024 Senior Notes or 2025 Senior Notes, as applicable, in cash at a price equal to 101.0% of their par value, in the event of a change of control of the Company or disposition of substantially all of the Company's assets. The Company is obligated to make such repurchase offer to noteholders if the following two conditions are met at the time of, or as a result of, such change of control or asset sale transaction: (i) the Senior Notes are rated below investment grade by each rating agency that rates the Senior Notes and (ii) the Senior Notes are downgraded by any rating agency.

Any adverse change in our credit rating could have a negative effect on our liquidity and future growth through transactions in which we rely on the ability to receive debt capital at an advantageous cost and on favorable terms. Accordingly, actual or anticipated changes or downgrades to or withdrawal of our credit ratings, including any announcement that our ratings are under review or have been assigned a negative outlook, could have a material adverse effect on our financial condition, results of operations and cash flows, and on the market value of our common stock and outstanding debt.

Certain events could lead to interruptions in our operations, which may materially adversely affect our business, financial condition or results of operations.

Our operations depend on our ability to seamlessly provide clients with products and customer service. We must protect our equipment and the information stored in our computer-based networks and databases against fires, floods, earthquakes and other natural disasters, as well as power losses, computer and telecommunications failures, technological breakdowns, Internet failures, computer viruses, unauthorized intrusions, terrorist attacks on sites where we are located, and other events. We also depend on accessible physical office facilities and hardware for our employees in order for our operations to function properly. There can be no assurance that the business continuity plans that we have sufficiently cover or reduce the risk of interruption in our operations caused by these events. Additionally, we may incur significant data recovery costs following any such event, and the scope of recovery will depend on, among other things, the effectiveness of our business continuity plans in mitigating the risks associated with the particular event that has occurred.

Such events could also have a material adverse effect on our clients. For example, immediately after the terrorist attacks on September 11, 2001, our clients who were located in the World Trade Center area were concentrating on disaster recovery rather than licensing additional products. In addition, delivery of some of the data we receive from New York-based suppliers was delayed. The grounding of air transportation impaired our ability to conduct sales visits and other meetings at client sites. During the resulting temporary closure of the U.S. stock markets, some of the data updates supporting our products were interrupted. These types of interruptions could affect our ability to sell and deliver products and could have a material adverse effect on our business, financial condition or results of operations.

Although we currently estimate that the total cost of ongoing development and implementation of our business continuity plans will not have a material impact on our business, financial condition or results of operations, we cannot provide any assurance that our estimates regarding the timing and cost of implementing these plans will be accurate. Unexpected or higher than estimated costs could have a material adverse effect on our financial condition or results of operations.

We are subject to unanticipated costs in connection with political, economic, legal, operational, franchise and other risks as a result of our international operations, which could materially adversely impact our businesses in many ways.

As we continue to expand our international operations, we increase our exposure to political, economic, legal, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible capital controls, exchange controls, customs duties, sanctions compliance, tax penalties, levies or assessments, broad regulatory discretion and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability in certain of the countries or regions in which we conduct operations. A significant number of our employees are located in offices outside of the U.S. and a number of those employees are located in emerging market locations. For example, as of December 31, 2015, 52.8% of our employees were located in emerging market locations. The cost of establishing and maintaining these offices, including costs related to information technology infrastructure, as well as the costs of attracting, training and retaining employees in these locations may be higher, or may increase at a faster rate, than we anticipate, which could have a material adverse effect on our business, financial condition or results of operations.

Additionally, the laws and regulations in many countries applicable to our business are uncertain and evolving, and it may be difficult for us to determine the exact requirements of local laws in every market. Our inability to maintain consistent internal policies and procedures across our offices and remain in compliance with local laws in a particular market could have a significant and negative effect not only on our businesses in that market but also on our reputation generally.

In order to penetrate markets outside of the U.S., we must provide a suite of products and services that fit the needs of the local market. Demand for our products and services is still nascent in many parts of the world.

Many countries have not fully developed laws and regulations regarding risk management and ESG and, in many cases, institutions in these countries have not developed widely accepted best practices regarding the same. If we do not appropriately tailor our products and services to fit the needs of the local market, we may be unable to effectively grow sales of our products and services outside of the U.S. There can be no assurances that demand for our products and services will develop in these countries.

We may be exposed to liabilities under applicable anti-corruption laws and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to various anti-corruption laws that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. We have business in countries and regions which are less developed and are generally recognized as potentially more corrupt business environments. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of various anti-corruption laws including the Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”) and the U.K. Bribery Act 2010. We have implemented safeguards and policies to discourage these practices by our employees and agents. However, our existing safeguards and any future improvements may prove to be less than effective and our employees or agents may engage in conduct for which we might be held responsible. If employees violate our policies or we fail to maintain adequate record-keeping and internal accounting practices to accurately record our transactions we may be subject to regulatory sanctions. Violations of the FCPA or other anti-corruption laws may result in severe criminal or civil sanctions and penalties, and we may be subject to other liabilities which could have a material adverse effect on our business, results of operations and financial condition.

Our brand and reputation are key assets and competitive advantages of our Company and our business may be affected by how we are perceived in the marketplace.

Our ability to attract and retain customers is affected by external perceptions of our brand and reputation. Negative perceptions or publicity could damage our reputation with customers, prospects and the public generally, which could negatively impact, among other things, our ability to attract and retain customers, employees and suppliers, as well as suitable candidates for acquisition or other combinations. See “—*Any failure to ensure and protect the confidentiality of client data could adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations*” above, “—*We have confidentiality policies in place regarding changes to the composition of our equity indexes and have implemented information barrier procedures to protect the confidentiality of the material, non-public information regarding changes to our equity indexes. If our confidentiality policies or information barrier procedures fail, our reputation could be damaged and our business, financial condition or results of operations could be materially adversely affected*” above and “—*If our products contain undetected errors or fail to perform properly due to defects, malfunctions or similar problems, it could have a material adverse effect on our business, financial condition or results of operation*s” above.

We may have exposure to additional tax liabilities in various jurisdictions.

As a global corporation, we are subject to income taxes as well as non-income or indirect taxes, in the U.S. and various foreign jurisdictions. Significant judgment is required in determining our global provision for income taxes and other tax liabilities. In the ordinary course of a global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities. Changes in domestic and international tax laws could negatively impact our overall effective tax rate.

Although we believe that our tax provisions are reasonable, there can be no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals. To the extent we are required to pay amounts in excess of our reserves, such differences could have a material adverse effect on our Consolidated Statement of Income for a particular future period. In addition, an unfavorable tax settlement could require use of our cash and result in an increase in our effective tax rate in the period in which such resolution occurs.

We are also subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in the U.S. and various foreign jurisdictions. We are regularly under audit by tax authorities with respect to these non-income taxes and may have exposure to additional non-income tax liabilities.

Our investments in recorded goodwill and other intangible assets as a result of acquisitions, including goodwill and other intangible assets resulting from our acquisitions, could be impaired as a result of future business conditions, requiring us to record substantial write-downs that would reduce our operating income.

We have goodwill and intangible assets of $1,957.1 million recorded on our balance sheet as of December 31, 2015. We evaluate the recoverability of recorded goodwill amounts and intangible assets annually, or when evidence of potential impairment exists. The annual impairment test is based on several factors requiring management's judgment. Changes in fair market valuations and our operating performance or business conditions, in general, could result in future impairments of goodwill which could materially adversely affect our results of operations. In addition, if we are not successful in achieving anticipated operating efficiencies associated with acquisitions, our goodwill and intangible assets may become impaired.

In connection with our initial public offering and separation from Morgan Stanley, we entered into agreements with Morgan Stanley where we agreed to indemnify Morgan Stanley for, among other things, certain past, present and future liabilities related to our business.

Pursuant to certain agreements we entered into with Morgan Stanley relating to the provision of services and other matters, we agreed to indemnify Morgan Stanley for, among other matters, certain past, present and future liabilities related to our business. Such liabilities include certain unknown liabilities, which could be significant.

Risks Related to Ownership of Our Common Stock

The market price of our common stock may be volatile, which could result in substantial losses.

The market price of our common stock is likely to fluctuate in the future for a variety of factors, some of which are beyond our control. One possible outcome of such fluctuation could be a decline in the value of your investment. For example, some of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in or failure to meet guidance or long-term targets provided by the Company with respect to financial and operating metrics;
- changes in operating margins;
- declines in the value of AUM in ETFs linked to MSCI indexes;
- loss of key clients (See "—*Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees*" above);
- changes in estimates of our financial results or recommendations by securities analysts;
- failure of any of our products to achieve or maintain market acceptance;
- failure to produce or distribute our products;

- changes in market valuations of similar companies;
- success of competitive products;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- changes in our dividend policy or stock repurchase program;
- announcements by us or our competitors of significant products, contracts, acquisitions or strategic alliances;
- litigation involving our Company, our general industry or both;
- changes in or departures of key personnel;
- investors' general perception of us, including any perception of misuse of sensitive information;
- changes in general economic, industry and market conditions in one or more significant regions around the world; and
- changes in regulatory developments in the U.S., foreign countries or both and changes in other dynamics.

In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Our business performance might not be sufficient for us to meet the full-year financial guidance or long-term targets that we provide publicly.

We provide full-year financial guidance and long-term targets to the public based upon our assumptions regarding our expected financial performance. For example, we provide assumptions regarding our ability to manage our expenses, generate free cash flow, achieve a certain effective tax rate, access cash generated outside of the U.S. and achieve our profitability targets. While we believe that our annual financial guidance and long-term targets provide investors and analysts with insight to our view of the Company's future performance, such financial guidance and long-term targets are based on assumptions that may not always prove to be accurate and may vary from actual results. If we fail to meet the full-year financial guidance or achieve the long-term targets that we provide, or if we find it necessary to revise such guidance during the year or long-term targets over time, the market value of our common stock could be adversely affected.

Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.

Sales of a substantial number of shares of our common stock, or the perception that such sales may occur, could depress the market price of our common stock. This would include sales of our common stock underlying restricted shares of common stock and options to purchase shares of common stock granted in connection with our initial public offering and pursuant to our equity incentive compensation plans.

As of February 19, 2016, 98,786,211 shares of our common stock were outstanding and freely tradable without restriction or further registration under the Securities Act of 1933, as amended, by persons other than our affiliates within the meaning of Rule 144 under the Securities Act.

In November 2007, we filed a registration statement registering under the Securities Act the 12,500,000 shares of common stock reserved for issuance in respect of incentive awards to our officers and certain of our employees pursuant to the MSCI Amended and Restated 2007 Equity Incentive Compensation Plan and the 500,000 shares of common stock reserved for issuance in respect of equity awards made to our directors who are not employees of the Company or Morgan Stanley pursuant to the MSCI Independent Directors' Equity Compensation Plan. As of December 31, 2015, we had issued 7,813,090 and 173,393 shares of common stock under the MSCI Amended and Restated 2007 Equity Incentive Compensation Plan and MSCI Independent Directors' Equity Compensation Plan, respectively. In February 2016, the Board of Directors, upon the recommendation of the Compensation Committee, approved the MSCI Inc. 2016 Omnibus Plan ("Omnibus Plan"), a new equity incentive compensation plan that the Company will propose for approval at the Company's 2016 annual meeting of shareholders. Pursuant to the Omnibus Plan, the Company will reserve additional shares of common stock for issuance, which will be registered under the Securities Act if the plan is approved by the Company's shareholders. See Part II, Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity—Equity Compensation Plans."

In connection with the acquisition of RiskMetrics, we filed a registration statement registering under the Securities Act the 4,257,779 shares of MSCI common stock reserved for issuance in respect of incentive awards to officers and certain employees of RiskMetrics pursuant to the RiskMetrics Group, Inc. 2000 Stock Option Plan, RiskMetrics Group, Inc. 2004 Stock Option Plan, Institutional Shareholder Services Holdings, Inc. Equity Incentive Plan and RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan (collectively, the "RMG Plans"). As of December 31, 2015, we had issued 3,837,798 shares of common stock under the RMG Plans. In June 2010, we also filed a registration statement assuming 3,060,090 shares available under the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan. As of December 31, 2015, we had issued 2,097,370 shares of common stock under the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan, which terminated on June 30, 2012. See Note 10, "Shareholders' Equity" of the Notes to the Consolidated Financial Statements included herein.

Also in the future, we may issue additional shares of our common stock in connection with investments and acquisitions. The amount of our common stock issued in connection with an investment or acquisition could constitute a material portion of the outstanding common stock.

Provisions in our Third Amended and Restated Certificate of Incorporation and Amended and Restated By-laws and Delaware law might discourage, delay or prevent a change of control of our Company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our Third Amended and Restated Certificate of Incorporation and Amended and Restated By-laws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that shareholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our shareholders to replace or remove our management. These provisions include:

- limitations on the removal of directors;
- advance notice requirements for shareholder proposals and director nominations;
- the inability of shareholders, after a change in control, to act by written consent or to call special meetings;
- the ability of our Board of Directors to make, alter or repeal our By-laws; and
- the ability of our Board of Directors to designate the terms of and issue new series of preferred stock without shareholder approval.

Generally, the amendment of our Third Amended and Restated Certificate of Incorporation requires approval by our Board of Directors and a majority vote of shareholders. Any amendment to our By-laws requires the approval of either a majority of our Board of Directors or holders of at least 80% of the votes entitled to be cast by the outstanding capital stock in the election of our Board of Directors.

Section 203 of the General Corporation Law of the State of Delaware prohibits a person who acquires more than 15% but less than 85% of all classes of our outstanding voting stock without the approval of our Board of Directors from merging or combining with us for a period of three years, unless the merger or combination is approved by the affirmative vote of at least two-thirds of our outstanding voting stock not owned by such person. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some shareholders.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of the Company, thereby reducing the likelihood that a premium would be paid for your common stock in an acquisition.

We may not be able to maintain payments of dividends at current levels and the failure to do so may negatively affect the market price of our common stock.

On September 17, 2014, our Board of Directors approved a plan to initiate a regular quarterly cash dividend to our shareholders. On October 30, 2014, we began paying regular quarterly cash dividends and have paid such dividends each quarter thereafter. On February 2, 2016, our Board of Directors declared our next quarterly cash dividend, in an amount of $0.22 per share of common stock, to be paid on March 11, 2016 to shareholders of record as of the close of trading on February 19, 2016. Although we plan to continue to pay regular quarterly cash dividends at the target rates (currently 30%-40% of Adjusted EPS) established by our Board of Directors from time to time, there can be no assurance that we will be able to continue to do so or that we will achieve an annual dividend rate in any particular amount. Our Board of Directors may, in its discretion, decrease the quarterly or annual rate of dividends or entirely discontinue the payment of dividends at any time if it deems such action to be in the best interests of the Company and our shareholders.

Our cash dividend policy is based upon our Board of Directors' assessment of our financial condition and the general business environment in which we operate at the time of declaration. Any future declaration and payment of cash dividends to our shareholders depends on the assessment of a number of factors, some of which are beyond our control, and a change in any one or more factors could affect our dividend policy. These factors include: our results of operations and liquidity; future prospects for earnings and cash flows; our available cash on hand and anticipated cash needs; the level and timing of capital expenditures, principal repayments and other capital needs; our ability to comply with current or future financial and negative covenants that limit our ability to pay dividends and make certain other restricted payments (including the incurrence covenants contained in our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes); tax treatment of dividends in the U.S.; legal restrictions on the payment of dividends and other provisions of law in any applicable jurisdiction; and any other factors that our Board of Directors may deem relevant in light of the prevailing conditions at the time of such assessment. As a result, we can give no assurance that we will in the future choose or be able to declare or pay a cash dividend, maintain our current level of dividends or increase them over time. Our failure to declare or pay a dividend, a reduction in the level of such dividend or the discontinuance of such dividend could materially adversely affect the market price of our common stock.

The share repurchase programs approved by our Board of Directors may not result in enhanced value to shareholders and may negatively affect our share price.

On October 28, 2015, our Board of Directors approved a share repurchase program authorizing the purchase of up to $1.0 billion worth of shares of our common stock (the "2015 Repurchase Program"). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by our Board of Directors at any time without prior notice. The 2015 Repurchase Program carries risks and uncertainties, including, among other things, that the authorized purchases will not be completed within the expected timing or will not be made at the best possible price. Additionally, we are permitted to, and may, discontinue the 2015 Repurchase Program at any time, including, without limitation, upon determining that we have insufficient cash flows or surplus levels required by Delaware law to continue to execute such program. Any such discontinuation or inability to continue to execute the 2015 Repurchase Program could cause the market price of our common stock to decline. Accordingly, there can be no assurance that we will pursue or be successful in completing the execution of the 2015 Repurchase Program or any future repurchase program. Additionally, the existence of a share repurchase program could cause the market price of our common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our shares. As a result, any repurchase program may not ultimately result in enhanced value to our shareholders and may not prove to be the best use of our cash resources.

Item 1B. ***Unresolved Staff Comments***

Nothing required to be disclosed.

Item 2. ***Properties***

Our corporate headquarters is located in New York, New York. This is also our largest sales office and one of our main research centers. As of December 31, 2015, our principal offices consisted of the following leased properties:

Location	Square Feet	Number of Offices	Expiration Date
Mumbai, India	126,286	1	September 30, 2018
New York, New York	125,811	1	February 28, 2033
Budapest, Hungary	44,225	1	February 29, 2024
Berkeley, California	34,178	1	February 29, 2020
London, England	32,365	1	December 25, 2026
Monterrey, Mexico	28,933	1	December 31, 2020
Norman, Oklahoma	23,664	1	May 31, 2024
Manila, Philippines	20,904	1	February 28, 2019
Conshohocken, Pennsylvania	15,590	1	June 30, 2019
Boston, Massachusetts	13,506	1	November 30, 2021
Geneva, Switzerland	11,883	1	March 31, 2019
Beijing, China	10,757	1	December 31, 2016

As of December 31, 2015, we also leased and occupied offices in the following locations: San Francisco, California; Chicago, Illinois; Hong Kong, China; Frankfurt, Germany; Paris, France; Shanghai, China; Sydney, Australia; Tokyo, Japan; Ann Arbor, Michigan; Portland, Maine; Toronto, Canada; Singapore; Amsterdam, Netherlands; Johannesburg, South Africa; Gaithersburg, Maryland; Cape Town, South Africa; Milan, Italy; Stockholm, Sweden; Sao Paolo, Brazil; Dubai, United Arab Emirates; Seoul, Korea; Taipei, Taiwan; and Santiago, Chile.

We believe that our properties are in good operating condition and adequately serve our current business operations. We also anticipate that suitable additional or alternative space, including those under lease options, will be available at commercially reasonable terms for future expansion.

Item 3. ***Legal Proceedings***

Various lawsuits, claims and proceedings have been or may be instituted or asserted against us in the ordinary course of business. While the amounts claimed could be substantial, the ultimate liability cannot now be determined because of the considerable uncertainty that exists. Therefore, it is possible that our business, operating results, financial condition or cash flows in a particular period could be materially adversely affected by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are currently pending or asserted will not, individually or in the aggregate, have a material effect on our business, operating results, financial condition or cash flows.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Stock Price and Dividends

Our common stock has traded on the New York Stock Exchange since November 15, 2007 and trades under the symbol "MSCI." As of February 19, 2016, there were 146 shareholders of record of our common stock. The following table presents the high and low closing sales prices per share and cash dividends declared and distributed per share of our common stock from January 1, 2014 through December 31, 2015.

Years Ended	High	Low	Dividends per Share of Common Stock
December 31, 2015			
First Quarter	$61.31	$47.24	$ 0.18
Second Quarter	$63.75	$60.32	$ 0.18
Third Quarter	$68.16	$57.78	$ 0.22
Fourth Quarter	$72.85	$57.95	$ 0.22
December 31, 2014			
First Quarter	$46.27	$40.28	$ —
Second Quarter	$45.85	$40.54	$ —
Third Quarter	$48.98	$43.90	$ —
Fourth Quarter	$48.92	$42.20	$ 0.18

On February 19, 2016, the per share closing price of our common stock on the New York Stock Exchange was $71.55.

Dividend Policy

On September 17, 2014, the Board of Directors approved a plan to initiate a regular quarterly cash dividend. On February 2, 2016, our Board of Directors declared our next quarterly cash dividend, in an amount of $0.22 per share of common stock, to be paid on March 11, 2016 to shareholders of record as of the close of trading on February 19, 2016.

The payment amounts of future dividends will be determined by the Board of Directors in light of conditions then existing, including our earnings, financial condition and capital requirements, business conditions, corporate law requirements and other factors.

The Transfer Agent and Registrar for our common stock is Broadridge Financial Solutions, Inc.

Equity Compensation Plans

On November 2, 2007 and November 5, 2007, our shareholders and Board of Directors approved, respectively, the implementation of the MSCI Independent Directors' Equity Compensation Plan (as amended and restated on January 12, 2011, the "IDECP"). Under the IDECP, the directors that are not employees of the Company receive annual Board retainer fees and fees for serving on the Company's committees, if applicable, and pursuant to the terms of the IDECP, a director may make an election to receive all or any portion of such director's retainer and committee fees in shares of our common stock. Directors who are not employees of the Company are entitled to receive an annual grant of $140,000 each in stock units and the lead director is entitled to an additional $25,000 in stock units, which are typically subject to a one-year vesting schedule. Under the MSCI Inc. Director Deferral Plan, directors may elect to defer receipt of all or any portion of any shares of our common stock issuable upon conversion of any stock unit or any retainer elected to be paid in shares of our common stock until (i) 60 days following separation of service or (ii) the earlier of a specified date or 60 days following separation of service. The total number of shares authorized to be awarded under the plan is 500,000. On February 18, 2016, the Board of Directors, upon the recommendation of the Compensation Committee, approved the MSCI Inc. 2016 Non-Employee Director Equity Compensation Plan (the "2016 Director Plan"), a new cash and equity incentive compensation plan that the Company will propose for approval at the Company's 2016 annual meeting of shareholders. The Company does not expect to reserve any additional shares of common stock for issuance in connection with the 2016 Director Plan.

On November 2, 2007 and November 5, 2007, our shareholders and Board of Directors approved, respectively, the implementation of the MSCI 2007 Equity Incentive Compensation Plan. On April 9, 2008, our shareholders approved the MSCI Amended and Restated 2007 Equity Incentive Compensation Plan (as further amended, the "MSCI EICP") and the MSCI Inc. Performance Formula and Incentive Plan (the "Performance Plan"). The MSCI EICP permits the Compensation Committee to make grants of a variety of equity based awards (such as stock, restricted stock, stock units and options) totaling up to 12,500,000 shares to eligible recipients, including employees and consultants. No awards are permitted to be granted under this plan after April 9, 2018. On February 18, 2016, the Board of Directors, upon the recommendation of the Compensation Committee, approved the MSCI Inc. 2016 Omnibus Plan ("Omnibus Plan"), a new equity incentive compensation plan that the Company will propose for approval at the Company's 2016 annual meeting of shareholders. Pursuant to the Omnibus Plan, the Company will reserve additional shares of common stock for issuance (resulting in an expected aggregate reserve of 7.5 million shares (inclusive of the share reserve remaining under the MSCI EICP); *plus* any additional shares which become available due to forfeiture, expiration or cancellation of outstanding awards, as described in Note 1, "Introduction and Basis of Presentation," of the Notes to Consolidated Financial Statements included herein), which will be registered under the Securities Act if the plan is approved by the Company's shareholders. This is in addition to currently outstanding awards under the MSCI EICP. The Company will continue to maintain the Performance Plan and may make tax-qualified awards pursuant to this plan.

In connection with the acquisition of RiskMetrics, we filed a registration statement registering under the Securities Act the 4,257,779 shares of MSCI common stock reserved for issuance in respect of incentive awards to officers and certain employees of RiskMetrics pursuant to the RiskMetrics Group, Inc. 2000 Stock Option Plan, RiskMetrics Group, Inc. 2004 Stock Option Plan, Institutional Shareholder Services Holdings, Inc. Equity Incentive Plan and RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan (collectively, the "RMG Plans"). In June 2010, we also filed a registration statement assuming 3,060,090 shares available under the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan, which terminated on June 30, 2012.

The following table presents certain information with respect to our equity compensation plans at December 31, 2015:

	Number of Securities to be Issued Upon Vesting of Restricted Stock Units and Exercise of Outstanding Options **a**	**Weighted Average Unit Award Value of Restricted Stock Units and Weighted-Average Exercise Price of Outstanding Options** **b**	**Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))** **c**
Equity Compensation Plans Approved by Security Holders			
MSCI Independent Directors' Equity Compensation Plan(1)	42,229	$ 52.20	352,564
MSCI Amended and Restated 2007 Equity Incentive Compensation Plan	1,259,124	$ 43.71	6,372,957
RiskMetrics Group, Inc. 2000 Stock Option Plan	—	$ —	—
RiskMetrics Group, Inc. 2004 Stock Option Plan	62,689	$ 19.72	—
RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan	196,210	$ 22.22	—
Total	1,560,252	$ 40.27	6,725,521

(1) The MSCI Independent Directors' Equity Compensation Plan does not authorize the issuance of options to purchase MSCI common stock.

Stock Repurchases

On December 13, 2012, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of MSCI's common stock beginning immediately and continuing through December 31, 2014 (the "2012 Repurchase Program").

Prior to 2014, the Company repurchased an aggregate of $200.0 million worth of shares of MSCI's common stock through multiple accelerated share repurchase ("ASR") agreements under the 2012 Repurchase Program. On February 6, 2014, MSCI utilized the remaining $100.0 million repurchase authorization provided by the 2012 Repurchase Program.

On February 4, 2014, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of MSCI's common stock, which was increased to $850.0 million on September 17, 2014 (the "2014 Repurchase Program"). On October 14, 2015, the Company exhausted the $850.0 million share repurchase authorization under the 2014 Repurchase Program.

On October 28, 2015, the Board of Directors approved a new stock repurchase program authorizing the purchase of up to $1.0 billion worth of shares of MSCI's common stock (the "2015 Repurchase Program"). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

On September 18, 2014, as part of the 2014 Repurchase Program, the Company entered into an ASR agreement to initiate share repurchases aggregating $300.0 million (the "September 2014 ASR Agreement"). As a result of the September 2014 ASR Agreement, the Company received approximately 4.5 million shares of MSCI's common stock on September 19, 2014 and approximately 1.2 million shares of MSCI's common stock on May 21, 2015 for a combined average price of $52.79 per share.

On June 2, 2015, the Company began purchasing shares of its common stock on the open market in accordance with SEC Rule 10b5-1. Through December 31, 2015, the Company paid $670.8 million to receive approximately 10.7 million shares of MSCI's common stock on the open market as part of both the 2014 Repurchase Program and the 2015 Repurchase Program.

Pursuant to the 2014 Repurchase Program and the 2015 Repurchase Program, as of December 31, 2015, the Company purchased a total of 16.4 million shares of MSCI's common stock for an average purchase price of $59.22 per share.

Since September 2014 and through December 31, 2015, approximately $1.1 billion was returned through share repurchases and cash dividends and a total of $1.4 billion was returned to shareholders since 2012.

The following table provides information with respect to purchases made by or on behalf of the Company of its common stock during the quarter ended December 31, 2015. There were no other share repurchases during the quarter outside of the repurchases noted below.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)
Month #1 (October 1, 2015-October 31, 2015)	2,273,483	$ 59.29	2,269,186	$ 1,000,000,000
Month #2 (November 1, 2015-November 30, 2015)	695,301	$ 68.33	688,223	$ 952,974,000
Month #3 (December 1, 2015-December 31, 2015)	1,047,474	$ 70.44	1,046,354	$ 879,283,000
Total	4,016,258	$ 63.76	4,003,763	$ 879,283,000

(1) Includes (i) shares withheld to satisfy tax withholding obligations on behalf of employees that occur upon vesting and delivery of outstanding shares underlying restricted stock units; (ii) shares withheld to satisfy tax withholding obligations and exercise price on behalf of employees that occur upon exercise and delivery of outstanding shares underlying stock options; and (iii) shares held in treasury under the MSCI Inc. Director Deferral Plan. The value of the shares withheld were determined using the fair market value of the Company's common stock on the date of withholding, using a valuation methodology established by the Company. The amount also includes shares repurchased under the 2014 Repurchase Program.

(2) See Note 10, "Shareholders' Equity" of the Notes to the Consolidated Financial Statements included herein for further information regarding our stock repurchase programs.

Recent Sales of Unregistered Securities

The Company has issued an aggregate principal amount of $1.6 billion in senior unsecured notes in two discrete private placements, each in the amount of $800.0 million, to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. The Company completed its offering of the 2025 Senior Notes on August 13, 2015 and its offering of the 2024 Senior Notes on November 20, 2014. The Senior Notes have not been registered under the Securities Act or any state securities laws.

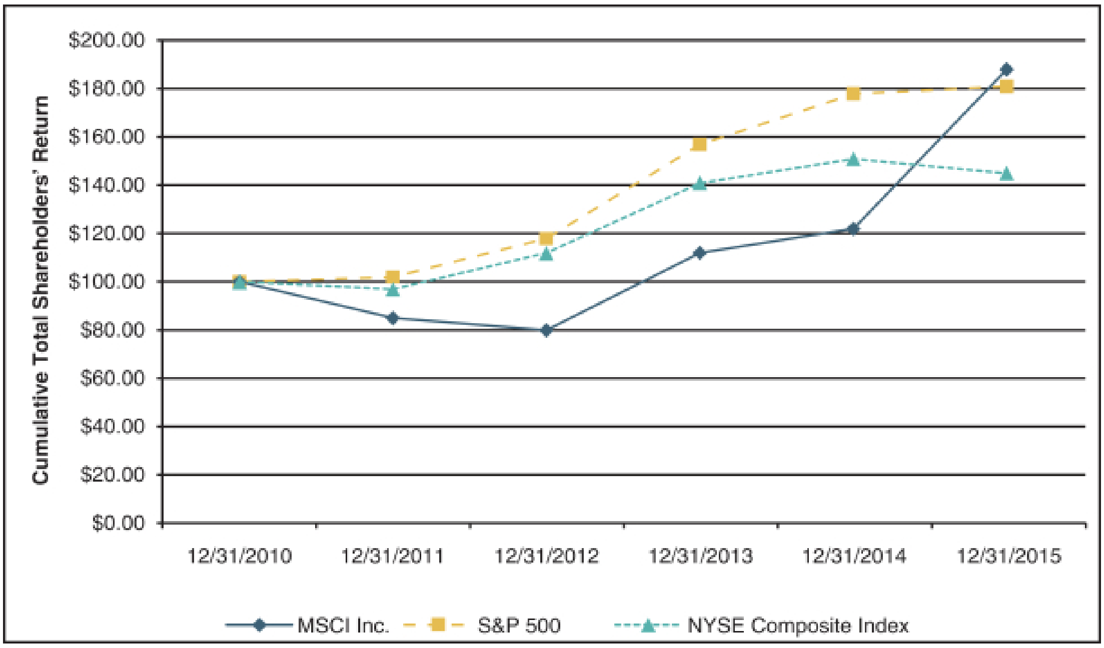
There were no unregistered sales of equity securities in the year ended December 31, 2015.

Use of Proceeds from Sale of Registered Securities

None.

FIVE-YEAR STOCK PERFORMANCE GRAPH

The following graph compares the cumulative total shareholders' return on our common stock, the Standard & Poor's 500 Stock Index and the NYSE Composite Index since December 31, 2010 assuming an investment of $100 at the closing price on December 31, 2010. In calculating total annual shareholders' return, reinvestment of dividends, if any, is assumed. The indexes are included for comparative purposes only. They do not necessarily reflect management's opinion that such indexes are an appropriate measure of the relative performance of the common stock. This graph is not "soliciting material," is not to be deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Total Investment Value

	Years Ended December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
MSCI Inc.	$ 188	$ 122	$ 112	$ 80	$ 85
S&P 500	$ 181	$ 178	$ 157	$ 118	$ 102
NYSE Composite Index	$ 145	$ 151	$ 141	$ 112	$ 97

Table of Contents

Item 6. ***Selected Consolidated Financial Data***

Our selected consolidated financial data for the periods presented should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto beginning on page F-1 of this Annual Report on Form 10-K.

The selected Consolidated Statement of Income data for the years ended December 31, 2015, 2014 and 2013 and the selected Consolidated Statement of Financial Condition data as of December 31, 2015 and 2014 are derived from our audited consolidated financial statements beginning on page F-1 of this Annual Report on Form 10-K. Our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 have been audited and reported upon by an independent registered public accounting firm in each period. The selected Consolidated Statement of Income data for the years ended December 31, 2012 and 2011 and the selected Consolidated Statement of Financial Condition data as of December 31, 2013, 2012 and 2011 are derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K.

The selected financial information presented below may not be indicative of our future performance.

		As of or For the Years Ended			
	December 31, 2015 (1)	December 31, 2014 (2)	December 31, 2013 (4)	December 31, 2012 (5)	December 31, 2011
	(in thousands, except operating margin and per share data)				
Operating revenues	$ 1,075,013	$ 996,680	$ 913,364	$ 826,990	$ 781,355
Total operating expenses	671,115	659,514	573,033	508,755	484,193
Operating income	403,898	337,166	340,331	318,235	297,162
Other expense (income), net	54,344	28,828	27,503	57,434	59,592
Provision for income taxes	119,516	109,396	112,918	96,010	78,634
Income from continuing operations	230,038	198,942	199,910	164,791	158,936
Income (loss) from discontinued operations, net of income taxes	(6,390)	85,171(3)	22,647	19,447	14,518
Net income	$ 223,648	$ 284,113	$ 222,557	$ 184,238	$ 173,454
Operating margin	37.6%	33.8%	37.3%	38.5%	38.0%
Earnings per basic common share from continuing operations	$ 2.11	$ 1.72	$ 1.66	$ 1.34	$ 1.31
Earnings per diluted common share from continuing operations	(0.06)	0.73	0.19	0.16	0.12
Earnings per basic common share	$ 2.05	$ 2.45	$ 1.85	$ 1.50	$ 1.43
Earnings per basic common share from continuing operations	$ 2.09	$ 1.70	$ 1.64	$ 1.32	$ 1.29
Earnings per diluted common share from continuing operations	(0.06)	0.73	0.19	0.16	0.12
Earnings per basic common share	$ 2.03	$ 2.43	$ 1.83	$ 1.48	$ 1.41
Weighted average shares outstanding used in computing earnings per share					
Basic	109,124	115,737	120,100	122,023	120,717
Diluted	109,926	116,706	121,074	123,204	122,276
Dividends declared per common share	$ 0.80	$ 0.18	$ —	$ —	$ —
Cash and cash equivalents	$ 777,706	$ 508,799	$ 358,434	$ 183,309	$ 252,211
Short-term investments	$ —	$ —	$ —	$ 70,898	$ 140,490
Accounts receivable (net of allowances)	$ 208,239	$ 178,717	$ 169,490	$ 153,557	$ 180,566

Table of Contents

	As of or For the Years Ended				
	December 31, 2015 (1)	December 31, 2014 (2)	December 31, 2013 (4)	December 31, 2012 (5)	December 31, 2011
	(in thousands, except operating margin and per share data)				
Goodwill and intangible assets, net of accumulated amortization	$ 1,957,111	$ 1,998,532	$ 2,408,871	$ 2,438,827	$ 2,367,809
Total assets	$ 3,146,987	$ 2,882,533	$ 3,129,286	$ 3,013,118	$ 3,072,849
Deferred revenue	$ 317,552	$ 310,775	$ 319,735	$ 308,022	$ 289,217
Current maturities of long-term debt	$ —	$ —	$ 18,301	$ 40,654	$ 5,964
Long-term debt, net of current maturities	$ 1,579,404	$ 788,358	$ 782,652	$ 805,227	$ 1,048,462
Total shareholders' equity	$ 901,487	$ 1,432,833	$ 1,564,347	$ 1,413,950	$ 1,294,151

(1) Includes the impact of Insignis from the October 16, 2015 acquisition date, which was not material. Deferred taxes have been presented in accordance with ASU 2015-17 prospectively beginning on December 31, 2015. Prior periods have not been retrospectively restated to match this presentation.

(2) Includes the results of GMI Ratings from the August 11, 2014 acquisition date, the impact of which was not material.

(3) Includes the net gain resulting from the disposition of ISS, the impact of which was not material.

(4) Includes the results of InvestorForce from the January 29, 2013 acquisition date, the impact of which was not material.

(5) Includes the results of IPD from the November 30, 2012 acquisition date, the impact of which was not material.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those described below. Such risks and uncertainties include, but are not limited to, those identified below and those described in Part 1, Item 1A. "Risk Factors," within this Annual Report on Form 10-K.

Overview

MSCI offers content, applications and services to support the needs of institutional investors throughout their investment processes. MSCI clients include asset owners, such as pension funds, endowments, foundations, central banks, family offices and insurance companies; asset management firms, such as mutual funds, hedge funds, providers of exchange-traded funds ("ETFs"); private wealth managers; and financial intermediaries, such as banks, broker-dealers, exchanges, custodians, trust companies and investment consultants.

Our products and services include indexes and analytical models; ratings and analysis that enable institutional investors to integrate environmental, social and governance ("ESG") factors into their investment strategies; and analysis of real estate in both privately and publicly owned portfolios. Clients use our content and applications to help construct portfolios and allocate assets. Our analytical tools help them measure and manage risk across all major asset classes. MSCI products and services can also be customized to meet the specific needs of our clients. As of December 31, 2015, we had approximately 6,400 clients across 86 countries. To calculate the number of clients, we may count certain affiliates, user locations, or business units within a single organization as separate clients. If we aggregate all related clients under their respective parent entity, the number of clients would be approximately 3,850, as of December 31, 2015. We had offices in 35 cities in 22 countries to help serve our diverse client base, with 52.2% of our revenues coming from clients in the Americas, 35.5% in Europe, the Middle East and Africa ("EMEA") and 12.3% in Asia and Australia.

Our principal business model is to license annual, recurring subscriptions to our products and services for use at specified locations, often by a given number of users or for a certain volume of services, for an annual fee paid up-front. Additionally, our recurring subscriptions include our managed services offering, whereby we oversee the production of risk and performance reports on behalf of our clients. Fees attributable to annual, recurring subscriptions are recorded as deferred revenues on our Consolidated Statement of Financial Condition and are recognized on our Consolidated Statement of Income as the service is rendered. Furthermore, a portion of our revenues comes from clients who use our indexes as the basis for index-linked investment products such as ETFs or as the basis for passively managed funds and separate accounts. These clients commonly pay us a license fee for the use of our intellectual property based on the investment product's assets. We also generate revenues from certain exchanges that use our indexes as the basis for futures and options contracts and pay us a license fee for the use of our intellectual property based on their volume of trades. In addition, we generate revenues from subscription agreements for the receipt of periodic benchmark reports, digests and other publications, which are most often associated with our real estate products that are recognized upon delivery of such reports or data updates. We also receive revenues from one-time fees related to certain implementation services, historical or customized reports, advisory and consulting services and from certain products and services that are designed for one-time usage.

In evaluating our financial performance, we focus on revenue and profit growth, including GAAP and non-GAAP measures, for the Company as a whole as well as by operating segment. In addition, we focus on operating metrics, including Run Rate, subscription sales and Aggregate Retention Rate to manage the business. Our business is not highly capital intensive and, as such, we expect to continue to convert a high percentage of our profits into excess cash in the future. Our growth strategy includes: (a) expanding and deepening our relationships with investment institutions worldwide; (b) developing new and enhancing existing product offerings, including combining existing product features or data derived from our products to create new products; and (c) seeking to acquire products, technologies and companies that will enhance, complement or expand our client base and product offerings.

During the years ended December 31, 2014 and 2013, we significantly invested in and expanded our operating functions and infrastructure, including additional product management, sales and client support staff and facilities in locations around the world as well as our research and our data operations and technology functions. The purpose was to maximize our medium-term revenue and profit growth, while at the same time ensuring that MSCI would remain a leading provider of investment decision support tools into the future. As a result, the rate of growth of our investments and expenses had, in recent years, exceeded that of our revenues, which had slowed the growth of, or even reduced, our earnings. For example, for the year ended December 31, 2014, our revenues grew by 9.1% but our operating income decreased by 0.9% compared to the year ended December 31, 2013 due, in part, to increased investment in our business. We completed our incremental level of investment in the year ended December 31, 2014, and have again achieved operating margin expansion for the year ended December 31, 2015.

Changes in Presentation

Effective during the year ended December 31, 2015, we changed our reportable segments to reflect certain changes made to the management of our product lines. This presentation better aligns our financial reporting with how our products and services are offered to our clients and offers additional insight into how we manage the Company. We previously disclosed one reportable segment. Following the change, we began disclosing three reportable segments: Index, Analytics and All Other. The All Other segment consists of ESG and Real Estate. See Note 13, "Segment Information," of the Notes to the Consolidated Financial Statements included herein for further information about MSCI's reportable segments.

Effective during the year ended December 31, 2015, we changed our presentation of operating expenses in order to provide more transparency into our underlying cost base, consistent with how we manage the Company. Prior to the change, operating expenses were grouped and presented as cost of services and selling, general and administrative. See Note 1, "Introduction And Basis Of Presentation," of the Notes to the Consolidated Financial Statements included herein for further information.

The previously issued financial information has been recast to conform to the current presentation.

Key Financial Metrics and Drivers

We utilize a portfolio of key financial metrics to manage the Company, including GAAP and non-GAAP measures. As detailed below, we review revenues by type and by segment, or major product line. We also review expenses by activity, which provides more transparency into how resources are being deployed. In addition, we utilize operating metrics including Run Rate, subscription sales and Aggregate Retention Rate, to analyze past performance and to provide insight into our latest reported portfolio of recurring business.

In the discussion that follows, we provide variances excluding the impact of foreign currency exchange rate fluctuations. Foreign currency exchange rate fluctuations reflect the difference between the current period results as reported compared to the current period results recalculated using the foreign currency exchange rates in effect for the comparable prior period.

Revenues

Our revenues are characterized by type, which broadly reflects the nature of how they are recognized or earned. Our revenue types are recurring subscription, asset-based fees and non-recurring revenues. We also group our revenues by segment and provide the revenue type within each segment. See Part 1, Item 1. "Business—Our Product Segments" above for additional details on the products and services that we offer.

Recurring subscription revenues represent fees earned from clients primarily under renewable contracts or agreements and are recognized in most cases ratably over the term of the license or service pursuant to the contract terms. The contracts state the terms under which these fees are to be calculated. The fees are recognized as we provide the product and service to the client over the license period and are generally billed in advance, prior to the license start date. When implementation services are included, we recognize revenues ratably from the date the application is put into production through the end of the license period. Revenues associated with the implementation services, which are allocated based on MSCI's best estimated sales price for such implementation services, are recognized ratably over the useful life of those services. Revenues from subscription agreements for the receipt of periodic benchmark reports, digests, and other publications, which are most often associated with our real estate benchmark business, are recognized upon delivery of such reports or data updates.

Asset-based fees are principally recognized based on the estimated assets under management ("AUM") linked to our indexes from independent third-party sources or the most recently reported information provided by the client. Asset-based fees include revenues related to futures and options contracts linked to our indexes, which are primarily based on trading volumes.

Non-recurring revenues primarily represent fees earned on products and services where we do not have renewal contracts and primarily include revenues for providing historical data, certain implementation services, and other special client requests. Based on the nature of the services provided, non-recurring revenues are recognized upon delivery, invoicing or over the service period.

Operating Expenses

We group our operating expenses into the following activity categories:

- Cost of revenues;
- Selling and marketing;
- Research and development ("R&D");
- General and administrative ("G&A");
- Amortization of intangible assets; and
- Depreciation and amortization of property, equipment and leasehold improvements.

Costs are assigned to these activity categories based on the nature of the expense or, when not directly attributable, an estimate is allocated based on the type of the effort involved.

Cost of Revenues

Cost of revenues consists of costs related to the production and servicing of our products and services and primarily includes related information technology costs, including data center, platform and infrastructure costs; costs to acquire, produce and maintain market data information; costs of research to support, maintain and rebalance existing products; costs of product management teams; costs of client service and consultant teams to support customer needs; as well as other support costs directly attributable to the cost of revenues including certain human resources, finance and legal costs.

Selling and Marketing

Selling and marketing expenses consists of costs associated with acquiring new clients or selling new products or product renewals to existing clients and primarily includes the costs of our sales force and marketing teams, as well as costs incurred in other groups associated with acquiring new business, including product management, research, technology and sales operations.

Research and Development

R&D expenses consists of the costs to develop new or enhance existing products and the costs to develop new or improved technology and service platforms for the delivery of our products and services and primarily includes the costs of application development, research, product management, project management and the technology support associated with these efforts.

General and Administrative

G&A expenses consists of costs primarily related to finance operations, human resources, office of the CEO, legal, corporate technology, corporate development and certain other administrative costs that are not directly attributed, but are instead allocated, to a product or service.

Amortization of Intangible Assets

Amortization of intangible assets expense relates to definite-lived intangible assets arising from past acquisitions and consists of customer relationships, trademarks and trade names, technology and software, proprietary processes and data and non-competition agreements. We amortize definite-lived intangible assets over their estimated useful lives. Definite-lived intangible assets are tested for impairment when impairment indicators are present, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. No impairment of intangible assets has been identified during any of the periods presented. We have no indefinite-lived intangibles. The intangible assets have remaining useful lives ranging from one to 20 years.

Depreciation and amortization of property, equipment and leasehold improvements

This category consists of expenses related to depreciating or amortizing the cost of furniture & fixtures, computer and related equipment and leasehold improvements over the estimated useful life of the assets.

Other Expense (Income), net

This category consists primarily of interest we pay on our outstanding indebtedness, interest we collect on cash and short-term investments, transition services income associated with our sale of ISS, foreign currency exchange rate gains and losses as well as other non-operating income and expense items.

Non-GAAP Financial Measures

Adjusted EBITDA

"Adjusted EBITDA," a measure used by management to assess operating performance, is defined as net income plus income (loss) from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and certain transactions or adjustments.

"Adjusted EBITDA expenses," a measure used by management to assess operating performance, is defined as operating expenses less depreciation and amortization of property, equipment and leasehold improvements and amortization of intangible assets.

The Company believes the Adjusted EBITDA and Adjusted EBITDA expenses measures are important in highlighting trends because these measures exclude costs that are more fixed from period to period. In addition, these measures provide more comparability between the historical operating results and recent operating results that reflect changes due to acquisitions, investments and capital structure. All companies do not calculate adjusted EBITDA and adjusted EBITDA expenses in the same way. These measures can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Accordingly, the Company's computation of the Adjusted EBITDA and Adjusted EBITDA expenses measures may not be comparable to similarly titled measures computed by other companies.

Run Rate

At the end of any period, we generally have subscription and investment product license agreements in place for a large portion of total revenues for the following 12 months. We measure the fees related to these agreements and refer to this as "Run Rate." See "—*Operating Metrics—Run Rate*" below for additional information on the calculation of this metric.

Subscription Sales

Subscription sales is a key operating metric and is important because new subscription sales increase our Run Rate and ultimately our operating revenues. See "—*Operating Metrics—Subscription Sales*" below for additional information.

Aggregate Retention Rate

Another key operating metric is Aggregate Retention Rate which is important because subscription cancellations decrease our Run Rate and ultimately our operating revenues. See "—*Operating Metrics—Aggregate Retention Rate*" below for additional information on the calculation of this metric.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the periods presented. We believe the estimates and judgments upon which we rely are reasonable based upon information available to us at the time these estimates and judgments are made. To the extent there are material differences between these estimates and actual results, our consolidated financial statements will be affected. See Note 1, "Introduction And Basis Of Presentation—*Significant Accounting Policies,*" of the Notes to the Consolidated Financial Statements included herein for a listing of our accounting policies.

Factors Affecting the Comparability of Results

Acquisition of GMI Ratings

On August 11, 2014, we completed the acquisition of GMI Ratings for $15.5 million through our subsidiary MSCI ESG Research Inc. GMI Ratings is a provider of corporate governance research and ratings on over 6,000 companies worldwide. Clients of GMI Ratings include leading institutional investors, banks, insurers, auditors, regulators and corporations seeking to incorporate ESG factors into risk assessment and decision-making.

The purchase price allocations for the GMI Ratings acquisition were $9.9 million for goodwill, $3.6 million for identifiable intangible assets, $6.7 million for assets other than identifiable intangible assets and $4.7 million for other liabilities. The results of GMI Ratings were included in our results of operations from its acquisition date of August 11, 2014. The GMI Ratings acquisition has not had a significant impact on our results of operations.

Share Repurchases

On December 13, 2012, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of our common stock beginning immediately and continuing through December 31, 2014 (the "2012 Repurchase Program"). We utilized $200.0 million of the repurchase authority through December 31, 2013.

On February 6, 2014, we utilized the remaining $100.0 million repurchase authorization provided by the 2012 Repurchase Program by entering into an ASR agreement to initiate share repurchases aggregating $100.0 million (the "February 2014 ASR Agreement").

On February 4, 2014, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of our common stock, which was subsequently increased to $850.0 million (the "2014 Repurchase Program"). On October 14, 2015, we exhausted the $850.0 million share repurchase authorization under the 2014 Repurchase Program.

On October 28, 2015, the Board of Directors approved a new stock repurchase program authorizing the purchase of up to $1.0 billion worth of shares of our common stock (the "2015 Repurchase Program"). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

On September 18, 2014, as part of the 2014 Repurchase Program, we entered into an ASR agreement to initiate share repurchases aggregating $300.0 million (the "September 2014 ASR Agreement"). As a result of the September 2014 ASR Agreement, we received approximately 4.5 million shares of our common stock on September 19, 2014 and approximately 1.2 million shares of our common stock on May 21, 2015 for a combined average price of $52.79 per share.

On June 2, 2015, we began purchasing shares of our common stock on the open market in accordance with SEC Rule 10b5-1. Through December 31, 2015, we paid $670.8 million to receive approximately 10.7 million shares of our common stock on the open market as part of the 2014 Repurchase Program and the 2015 Repurchase Program.

Pursuant to the 2014 Repurchase Program and the 2015 Repurchase Program, as of December 31, 2015, we purchased a total of 16.4 million shares of our common stock for an average purchase price of $59.22 per share.

Since the announcement of the September 2014 $1.0 billion capital return plan and through December 31, 2015, approximately $1.1 billion was returned through share repurchases and cash dividends and a total of $1.4 billion was returned to shareholders since 2012.

The weighted average shares outstanding used in calculating our basic and diluted earnings per share decreased by 5.8% and 3.6% for the year ended December 31, 2015 and 2014, respectively, reflecting the impact of the share repurchase programs, partially offset by the impact of restricted stock units and stock options converting to shares.

Senior Notes and Credit Agreement

On November 20, 2014, we completed our first private offering of $800.0 million aggregate principal amount of 5.25% senior unsecured notes due 2024 (the "2024 Senior Notes") and also entered into a new $200.0 million senior unsecured revolving credit agreement (the "2014 Revolving Credit Agreement"). We used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to repay in full our outstanding term loan indebtedness of $794.8 million, which bore interest at LIBOR plus a margin of 2.25%.

On August 13, 2015, we completed our second private offering of $800.0 million aggregate principal amount of 5.75% senior unsecured notes due 2025 (the "2025 Senior Notes") and received $789.5 million, net of $10.5 million of debt issuance costs. As a result of these offerings, our interest expense for the current year has increased. The annual interest expense related to these offerings is expected to be approximately $92.0 million. We intend to use the net proceeds from the offering of the 2025 Senior Notes for general corporate purposes, including, without limitation, buybacks of MSCI common stock.

Table of Contents

Results of Operations

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

The following table presents the results of operations for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/ (Decrease)	
	(in thousands, except per share data)			
Operating revenues	$ 1,075,013	$ 996,680	$ 78,333	7.9%
Operating expenses:				
Cost of revenues	267,695	276,623	(8,928)	(3.2%)
Selling and marketing	162,294	163,839	(1,545)	(0.9%)
Research and development	77,320	71,095	6,225	8.8%
General and administrative	86,007	76,369	9,638	12.6%
Amortization of intangible assets	46,910	45,877	1,033	2.3%
Depreciation and amortization of property, equipment, and leasehold improvements	30,889	25,711	5,178	20.1%
Total operating expenses	671,115	659,514	11,601	1.8%
Operating income	403,898	337,166	66,732	19.8%
Other expense (income), net	54,344	28,828	25,516	88.5%
Income from continuing operations before provision for income taxes	349,554	308,338	41,216	13.4%
Provision for income taxes	119,516	109,396	10,120	9.3%
Income from continuing operations	230,038	198,942	31,096	15.6%
Income (loss) from discontinued operations, net of income taxes	(6,390)	85,171	(91,561)	(107.5%)
Net income	$ 223,648	$ 284,113	$(60,465)	(21.3%)
Earnings per basic common share:				
From continuing operations	$ 2.11	$ 1.72	$ 0.39	22.7%
From discontinued operations	(0.06)	0.73	(0.79)	(108.2%)
Earnings per basic common share	$ 2.05	$ 2.45	$ (0.40)	(16.3%)
Earnings per diluted common share:				
From continuing operations	$ 2.09	$ 1.70	$ 0.39	22.9%
From discontinued operations	(0.06)	0.73	(0.79)	(108.2%)
Earnings per diluted common share	$ 2.03	$ 2.43	$ (0.40)	(16.5%)
Operating margin	37.6%	33.8%		

Operating Revenues

Our revenues are grouped by the following types: recurring subscription, asset-based fees and non-recurring revenues. We also group revenues by major product or reportable segment as follows: Index, Analytics and All Other, which includes ESG and Real Estate products.

The following table presents operating revenues by recurring subscriptions, asset-based fees and non-recurring revenues for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Recurring subscriptions	857,527	801,183	56,344	7.0%
Asset-based fees	197,974	177,105	20,869	11.8%
Non-recurring revenue	19,512	18,392	1,120	6.1%
Total operating revenues	$ 1,075,013	$ 996,680	$ 78,333	7.9%

Total operating revenues grew 7.9% to $1,075.0 million for the year ended December 31, 2015 compared to $996.7 million for the year ended December 31, 2014.

Revenue from recurring subscriptions increased 7.0% to $857.5 million for the year ended December 31, 2015 compared to $801.2 million for the year ended December 31, 2014. The increase in subscription revenues was primarily driven by growth from Index products as well as higher Analytics products' revenues, partially offset by lower Real Estate products' revenues within our All Other segment. Adjusting for the impact of foreign currency exchange rate fluctuations, recurring subscriptions revenues would have increased 8.8% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Revenues from asset-based fees increased 11.8% to $198.0 million for the year ended December 31, 2015 compared to $177.1 million for the year ended December 31, 2014. The increase was driven by higher average AUM in both ETFs and non-ETF passive funds as well as higher trading volumes in futures and options contracts, all linked to MSCI indexes. The average value of AUM in ETFs linked to MSCI indexes increased $56.3 billion, or 15.5%, compared to the year ended December 31, 2014. Approximately two-thirds of the underlying securities included in the AUM of our index-linked investment products are denominated in currencies other than the U.S. dollar.

The following table presents the value of AUM in ETFs linked to MSCI indexes and the sequential change of such assets as of the end of each of the periods indicated:

	Period Ended(1) 2014 March 31,	2014 June 30,	2014 September 30,	2014 December 31,	2015 March 31,	2015 June 30,	2015 September 30,	2015 December 31,
	(in billions)							
AUM in ETFs linked to MSCI Indexes(2)	$ 340.8	$378.7	$ 377.9	$ 373.3	$ 418.0	$435.4	$ 390.2	$ 433.4
Sequential Change in Value								
Market Appreciation/(Depreciation)	$ 1.3	$ 15.2	$ (17.2)	$ (8.3)	$ 13.0	$ (6.9)	$ (48.2)	$ 14.5
Cash Inflow/(Outflow)	6.6	22.7	16.4	3.7	31.7	24.3	3.0	28.7
Total Change	$ 7.9	$ 37.9	$ (0.8)	$ (4.6)	$ 44.7	$ 17.4	$ (45.2)	$ 43.2

Source: Bloomberg and MSCI

(1) The historical values of the assets in ETFs linked to our indexes as of the last day of the month and the monthly average balance can be found under the link "AUM in ETFs Linked to MSCI Indexes" on our Investor Relations homepage at http://ir.msci.com. This information is updated on the second U.S. business day of each month. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K or any other report filed with the SEC.

(2) The value of assets under management in ETFs linked to MSCI Indexes is calculated by multiplying the ETF net asset value by the number of shares outstanding.

As of December 31, 2015, the value of AUM in ETFs linked to MSCI equity indexes was $433.4 billion, up $60.1 billion, or 16.1%, from $373.3 billion as of December 31, 2014. Of the $433.4 billion of AUM in ETFs linked to MSCI equity indexes as of December 31, 2015, 57.8% were linked to indexes related to developed markets outside of the U.S., 19.8% were linked to U.S. market indexes, 17.2% were linked to emerging market indexes and 5.2% were linked to other global indexes.

Non-recurring revenues increased 6.1% to $19.5 million for the year ended December 31, 2015, compared to $18.4 million for the year ended December 31, 2014, primarily resulting from higher one-time sales of Index and Analytics products, partially offset by lower one-time sales of Real Estate products within our All Other segment.

The following table presents operating revenues by reportable segment and revenue type for the years indicated:

	Years Ended			
	December 31, 2015	December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Operating revenues:				
Index				
Recurring subscriptions	$ 353,136	$ 320,113	$33,023	10.3%
Asset-based fees	197,974	177,105	20,869	11.8%
Non-recurring	7,854	6,674	1,180	17.7%
Index total	558,964	503,892	55,072	10.9%
Analytics total	433,424	414,085	19,339	4.7%
All Other				
ESG	37,611	28,294	9,317	32.9%
Real Estate	45,014	50,409	(5,395)	(10.7%)
All Other total	82,625	78,703	3,922	5.0%
Total operating revenues	$ 1,075,013	$ 996,680	$78,333	7.9%

Refer to the section titled, “Segment Results of Operations” for an explanation of the results.

Operating Expenses

Operating expenses increased 1.8% to $671.1 million for the year ended December 31, 2015 compared to $659.5 million for the year ended December 31, 2014. Adjusting for the impact of foreign currency exchange rate fluctuations, operating expenses would have increased 5.8% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Table of Contents

The following table presents operating expenses by activity for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Operating expenses:				
Cost of revenues	$ 267,695	$ 276,623	$ (8,928)	(3.2%)
Selling and marketing	162,294	163,839	(1,545)	(0.9%)
Research and development	77,320	71,095	6,225	8.8%
General and administrative	86,007	76,369	9,638	12.6%
Amortization of intangible assets	46,910	45,877	1,033	2.3%
Depreciation and amortization of property, equipment and leasehold improvements	30,889	25,711	5,178	20.1%
Total operating expenses	$ 671,115	$ 659,514	$11,601	1.8%

Cost of Revenues

Cost of revenues for the year ended December 31, 2015 decreased 3.2% to $267.7 million compared to $276.6 million for the year ended December 31, 2014, primarily driven by lower non-compensation costs reflecting strong cost discipline as well as the impact of compensation primarily driven by lower staffing levels, partially offset by higher severance costs.

Selling and Marketing

Selling and marketing expenses for the year ended December 31, 2015 decreased 0.9% to $162.3 million compared to $163.9 million for the year ended December 31, 2014, primarily driven by lower costs related to marketing and travel & entertainment, partially offset by higher compensation and benefits primarily related to higher severance.

Research and Development

R&D expenses for the year ended December 31, 2015 increased 8.8% to $77.3 million compared to $71.1 million for the year ended December 31, 2014, primarily driven by higher compensation and benefits costs as a result of more R&D projects, higher severance and lower net capitalized costs related to internally developed software. The reduction in net capitalized costs is the result of the reversal of a technology project in the Analytics segment of $3.4 million for the year ended December 31, 2015 compared to a $1.0 million reversal for the year ended December 31, 2014.

General and Administrative

G&A expenses for the year ended December 31, 2015 increased 12.6% to $86.0 million compared to $76.4 million for the year ended December 31, 2014, primarily driven by higher compensation and benefits costs as well as higher professional fees.

The following table presents operating expenses using compensation and non-compensation categories, rather than using activity categories, for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Compensation and benefits	$ 426,238	$ 412,550	$13,688	3.3%
Non-compensation expenses	167,078	175,376	(8,298)	(4.7%)
Amortization of intangible assets	46,910	45,877	1,033	2.3%
Depreciation and amortization of property, equipment and leasehold improvements	30,889	25,711	5,178	20.1%
Total operating expenses	$ 671,115	$ 659,514	$11,601	1.8%

Compensation and benefits costs are our most significant expense and typically represent more than 60% of our operating expenses or more than 70% of the combined total of the cost of revenues, selling and marketing, R&D and G&A expense categories. We had 2,754 employees as of December 31, 2015 compared to 2,926 employees as of December 31, 2014. Our continued growth in emerging market centers around the world is an important factor in our ability to manage and control the growth of our compensation and benefits expenses. As of December 31, 2015, 52.8% of our employees were located in emerging market centers compared to 50.5% of our employees as of December 31, 2014.

Compensation and benefits costs for the year ended December 31, 2015 increased 3.3% to $426.2 million compared to $412.6 million for year ended December 31, 2014. The increase was primarily impacted by higher costs related to severance and benefits, as well as lower capitalized labor costs related to internally developed software.

Non-compensation expenses for the year ended December 31, 2015 decreased 4.7% to $167.1 million compared to $175.4 million for the year ended December 31, 2014, primarily reflecting decreases in travel & entertainment, recruiting and marketing, partially offset by increases in information technology.

Amortization of Intangibles

Amortization of intangibles expense for the year ended December 31, 2015 increased 2.3% to $46.9 million compared to $45.9 million for the year ended December 31, 2014, primarily resulting from the amortization of our capitalized software.

Depreciation and amortization of property, equipment and leasehold improvements

For the years ended December 31, 2015 and 2014, depreciation and amortization of property, equipment and leasehold improvements totaled $30.9 million and $25.7 million, respectively. The 20.1% increase primarily reflected higher depreciation of investments made in our information technology infrastructure.

Other Expense (Income), Net

Other expense (income), net for the year ended December 31, 2015 increased to $54.3 million compared to $28.8 million for the year ended December 31, 2014, with the increase primarily driven by $30.6 million of higher interest expense resulting from the higher interest rates associated with our Senior Notes and the increased level of indebtedness, partially offset by $6.4 million from gains on the sale of investments realized in the year ended December 31, 2015.

Income Taxes

The provision for income tax expense was $119.5 million and $109.4 million for the years ended December 31, 2015 and 2014, respectively. These amounts reflect effective tax rates of 34.2% and 35.5% for the years ended December 31, 2015 and 2014, respectively.

The effective tax rate of 34.2% for the year ended December 31, 2015 reflects our operating tax rate adjusted for the impact of certain discrete items. Included in the discrete items was a claim for an additional deduction related to U.S. production activities for prior years, which was partially offset by a provision for state tax liabilities related to prior years. Overall, the discrete items decreased our effective tax rate by 0.6% in the year ended December 31, 2015.

The effective tax rate of 35.5% for the year ended December 31, 2014 reflects our operating rate adjusted for the impact of certain discrete items that increased our effective tax rate by 0.3 percentage points. Included in our effective tax rate was the benefit of the 2014 federal research and development credit, the effect of which reduced our full year effective tax rate by 0.9 percentage points.

Income (loss) from Discontinued Operations, Net of Income Taxes

On April 30, 2014, MSCI completed the sale of ISS for cash consideration of $367.4 million. ISS, together with the previously sold CFRA product line, is reflected as discontinued operations in our consolidated financial statements. Loss from discontinued operations, net of income taxes, for the year ended December 31, 2015 reflects the impact of a $6.4 million out-of-period income tax charge associated with tax obligations triggered upon the sale of ISS. Income from discontinued operations, net of income taxes was $85.2 million for the year ended December 31, 2014 and the results included a net gain of $78.7 million resulting from the disposition of ISS.

Adjusted EBITDA

The following table presents the calculation of Adjusted EBITDA for the years indicated:

	Years Ended			
	December 31, 2015	December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Operating revenues	$ 1,075,013	$ 996,680	$ 78,333	7.9%
Adjusted EBITDA expenses	593,316	587,926	5,390	0.9%
Adjusted EBITDA	$ 481,697	$ 408,754	$ 72,943	17.8%
Adjusted EBITDA margin %	44.8%	41.0%		
Operating margin %	37.6%	33.8%		

Adjusted EBITDA increased 17.8% to $481.7 million for the year ended December 31, 2015 compared to $408.8 million for the year ended December 31, 2014. Adjusted EBITDA margin increased to 44.8% for the year ended December 31, 2015 compared to 41.0% for the year ended December 31, 2014. The improvement in margin reflects higher growth in revenues, outpacing the growth in expenses, attributable, in part, to the benefits of the incremental investments we made in 2014 and prior periods.

Reconciliation of Adjusted EBITDA to Net Income and Adjusted EBITDA Expenses to Operating Expenses

The following table presents the reconciliation of Adjusted EBITDA to net income for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Index Adjusted EBITDA	$ 392,987	$ 349,685	$ 43,302	12.4%
Analytics Adjusted EBITDA	95,468	72,173	23,295	32.3%
All Other Adjusted EBITDA	(6,758)	(13,104)	6,346	48.4%
Consolidated Adjusted EBITDA	481,697	408,754	72,943	17.8%
Amortization of intangible assets	46,910	45,877	1,033	2.3%
Depreciation and amortization of property, equipment and leasehold improvements	30,889	25,711	5,178	20.1%
Operating income	403,898	337,166	66,732	19.8%
Other expense (income), net	54,344	28,828	25,516	88.5%
Provision for income taxes	119,516	109,396	10,120	9.3%
Income from continuing operations	230,038	198,942	31,096	15.6%
Income (loss) from discontinued operations, net of income taxes	(6,390)	85,171	(91,561)	(107.5%)
Net income	$ 223,648	$ 284,113	$(60,465)	(21.3%)

The following table presents the reconciliation of Adjusted EBITDA expenses to operating expenses for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Index Adjusted EBITDA expenses	$ 165,977	$ 154,207	$11,770	7.6%
Analytics Adjusted EBITDA expenses	337,956	341,912	(3,956)	(1.2%)
All Other Adjusted EBITDA expenses	89,383	91,807	(2,424)	(2.6%)
Consolidated Adjusted EBITDA expenses	593,316	587,926	5,390	0.9%
Amortization of intangible assets	46,910	45,877	1,033	2.3%
Depreciation and amortization of property, equipment and leasehold improvements	30,889	25,711	5,178	20.1%
Total operating expenses	$ 671,115	$ 659,514	$11,601	1.8%

Segment Results

The results for each of our three reportable segments for the years ended December 31, 2015 and 2014 are presented below:

Index Segment

The following table presents the results for the Index segment for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Operating revenues:				
Recurring subscriptions	$ 353,136	$ 320,113	$ 33,023	10.3%
Asset-based fees	197,974	177,105	20,869	11.8%
Non-recurring	7,854	6,674	1,180	17.7%
Operating revenues total	558,964	503,892	55,072	10.9%
Adjusted EBITDA expenses	165,977	154,207	11,770	7.6%
Adjusted EBITDA	$ 392,987	$ 349,685	$ 43,302	12.4%
Adjusted EBITDA margin %	70.3%	69.4%		

Revenues related to Index products increased 10.9% to $559.0 million for the year ended December 31, 2015 compared to $503.9 million for the year ended December 31, 2014.

Recurring subscription revenues were up 10.3% to $353.1 million for the year ended December 31, 2015 compared to $320.1 million for the year ended December 31, 2014. The increase was primarily driven by solid growth in benchmark and data products broadly, including strong growth in market cap products, combined with higher growth in factor, ESG and thematic products. Adjusting for the impact of foreign currency exchange rate fluctuations, recurring subscription revenues would have increased 11.1% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Revenues from asset-based fees increased 11.8% to $198.0 million for the year ended December 31, 2015 compared to $177.1 million for the year ended December 31, 2014. The increase was primarily driven by an increase in revenue from ETF's, as well as strong growth in revenues from non-ETF institutional passive funds and exchange-traded futures and options linked to MSCI indexes. Average AUM in ETFs linked to MSCI indexes increased $56.3 billion, or 15.5%, to $418.8 billion primarily driven by cash inflows, partially offset by market depreciation.

Index segment Adjusted EBITDA expenses increased 7.6% to $166.0 million for the year ended December 31, 2015 compared to $154.2 million for the year ended December 31, 2014. The increase primarily reflects higher compensation and benefits costs associated with our selling, development and G&A activities. Adjusting for the impact of foreign currency exchange rate fluctuations, Adjusted EBITDA expenses would have increased 12.6% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Analytics Segment

The following table presents the results for the Analytics segment for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Operating revenues	$ 433,424	$ 414,085	$19,339	4.7%
Adjusted EBITDA expenses	337,956	341,912	(3,956)	(1.2%)
Adjusted EBITDA	$ 95,468	$ 72,173	$23,295	32.3%
Adjusted EBITDA margin %	22.0%	17.4%		

Our Analytics segment revenues increased 4.7% to $433.4 million for the year ended December 31, 2015 compared to $414.1 million for the year ended December 31, 2014. The increase was primarily driven by higher revenues from RiskManager, BarraOne and InvestorForce products. Adjusting for the impact of foreign currency exchange rate fluctuations, Analytics segment revenues would have increased 6.2% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Analytics segment Adjusted EBITDA expenses decreased 1.2% to $338.0 million for the year ended December 31, 2015 compared to $341.9 million for the year ended December 31, 2014. The decrease was due to a decline in cost of revenues and selling and marketing costs, partially offset by increases in G&A and R&D. The increase in R&D was primarily the result of the reversal of previously capitalized software costs associated with a technology project. Adjusting for the impact of foreign currency exchange rate fluctuations, Adjusted EBITDA expenses would have increased 2.3% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

All Other Segment

The following table presents the results for the All Other segment, which consists of the ESG and Real Estate product lines, for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Increase/(Decrease)	
	(in thousands)			
Operating revenues				
ESG	$ 37,611	$ 28,294	$ 9,317	32.9%
Real Estate	45,014	50,409	(5,395)	(10.7%)
Operating revenues total	82,625	78,703	3,922	5.0%
Adjusted EBITDA expenses	89,383	91,807	(2,424)	(2.6%)
Adjusted EBITDA	$ (6,758)	$ (13,104)	$ 6,346	48.4%
Adjusted EBITDA margin %	(8.2%)	(16.6%)		

All Other segment revenues increased 5.0% to $82.6 million for the year ended December 31, 2015 compared to $78.7 million for the year ended December 31, 2014. The increase was driven by $9.3 million, or 32.9%, rise in revenues from our ESG products, partially offset by $5.4 million, or 10.7%, decline in revenues from Real Estate products. Adjusting for the impact of foreign currency exchange rate fluctuations, All Other segment revenues would have increased 12.2% for the year ended December 31, 2015 compared to the year ended December 31, 2014, of which Real Estate revenues would have increased 0.4%.

All Other segment Adjusted EBITDA expenses decreased 2.6% to $89.4 million for the year ended December 31, 2015 compared to $91.8 million for the year ended December 31, 2014. The decrease was primarily driven by lower compensation and benefits costs and non-compensation costs attributable to Real Estate, partially offset by higher compensation and benefits costs related to ESG. Adjusting for the impact of foreign currency exchange rate fluctuations, Adjusted EBITDA expenses would have increased 4.0% for the year ended December 31, 2015 compared to the year ended December 31, 2014.

Results of Operations

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

The following table presents the results of operations for the years indicated:

	Years Ended			
	December 31, 2014	December 31, 2013	Increase/(Decrease)	
	(in thousands, except per share data)			
Operating revenues	$ 996,680	$ 913,364	$83,316	9.1%
Operating expenses:				
Cost of revenues	276,623	240,697	35,926	14.9%
Selling and marketing	163,839	137,693	26,146	19.0%
Research and development	71,095	61,003	10,092	16.5%
General and administrative	76,369	68,458	7,911	11.6%
Amortization of intangible assets	45,877	44,798	1,079	2.4%
Depreciation and amortization of property, equipment, and leasehold improvements	25,711	20,384	5,327	26.1%
Total operating expenses	659,514	573,033	86,481	15.1%
Operating income	337,166	340,331	(3,165)	(0.9%)
Other expense (income), net	28,828	27,503	1,325	4.8%
Income from continuing operations before provision for income taxes	308,338	312,828	(4,490)	(1.4%)
Provision for income taxes	109,396	112,918	(3,522)	(3.1%)
Income from continuing operations	198,942	199,910	(968)	(0.5%)
Income (loss) from discontinued operations, net of income taxes	85,171	22,647	62,524	276.1%
Net income	$ 284,113	$ 222,557	$61,556	27.7%
Earnings per basic common share:				
From continuing operations	$ 1.72	$ 1.66	$ 0.06	3.6%
From discontinued operations	0.73	0.19	0.54	284.2%
Earnings per basic common share	$ 2.45	$ 1.85	$ 0.60	32.4%
Earnings per diluted common share:				
From continuing operations	$ 1.70	$ 1.64	$ 0.06	3.7%
From discontinued operations	0.73	0.19	0.54	284.2%
Earnings per diluted common share	$ 2.43	$ 1.83	$ 0.60	32.8%
Operating margin	33.8%	37.3%		

Operating Revenues

The following table presents operating revenues by recurring subscriptions, asset-based fees and non-recurring revenues for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Recurring subscriptions	801,183	748,600	52,583	7.0%
Asset-based fees	177,105	149,487	27,618	18.5%
Non-recurring revenue	18,392	15,277	3,115	20.4%
Total operating revenues	$ 996,680	$ 913,364	$ 83,316	9.1%

Total operating revenues grew 9.1% to $996.7 million for the year ended December 31, 2014 compared to $913.4 million for the year ended December 31, 2013.

Revenue from recurring subscriptions increased 7.0% to $801.2 million for the year ended December 31, 2014 compared to $748.6 million for the year ended December 31, 2013. The increase in subscription revenues was primarily driven by growth from Index products as well as higher Analytics products revenues. Excluding the impact of revenues related to the GMI Ratings acquisition, recurring subscriptions revenues would have increased 6.6% for the year ended December 31, 2014 compared to the year ended December 31, 2013.

Revenues from asset-based fees increased 18.5% to $177.1 million for the year ended December 31, 2014 compared to $149.5 million for the year ended December 31, 2013. The increase was driven by higher average AUM in both ETFs and non-ETF passive funds as well as higher trading volumes in futures and options contracts, all linked to MSCI indexes. The average value of AUM in ETFs linked to MSCI indexes increased $37.5 billion, or 11.5%, compared to the year ended December 31, 2013.

The following table presents the value of AUM in ETFs linked to MSCI indexes and the sequential change of such assets as of the end of each of the periods indicated:

	Period Ended 2013 March 31,	June 30,	September 30,	December 31,	2014 March 31,	June 30,	September 30,	December 31,
	(in billions)							
AUM in ETFs linked to MSCI Indexes(1)	$ 357.3	$ 269.7	$ 302.6	$ 332.9	$ 340.8	$ 378.7	$ 377.9	$ 373.3
Sequential Change in Value								
Market Appreciation/(Depreciation)	$ 16.0	$ (13.2)	$ 20.2	$ 10.9	$ 1.3	$ 15.2	$ (17.2)	$ (8.3)
Cash Inflow/(Outflow)(2)	(61.0)	(74.4)	12.7	19.4	6.6	22.7	16.4	3.7
Total Change	$ (45.0)	$ (87.6)	$ 32.9	$ 30.3	$ 7.9	$ 37.9	$ (0.8)	$ (4.6)

Source: Bloomberg and MSCI

(1) The value of AUM in ETFs linked to MSCI Indexes is calculated by multiplying the ETF net asset value by the number of shares outstanding.

(2) Includes the loss of $82.8 billion and $74.8 billion of AUM related to certain Vanguard ETFs as of March 31, 2013 and June 30, 2013, respectively.

As of December 31, 2014, the value of AUM in ETFs linked to MSCI equity indexes was $373.3 billion, up $40.4 billion, or 12.1%, from $332.9 billion as of December 31, 2013. Of the $373.3 billion of AUM in ETFs linked to MSCI equity indexes as of December 31, 2014, 50.8% were linked to indexes related to developed markets outside of the U.S., 23.5% were linked to emerging market indexes, 20.0% were linked to U.S. market indexes and 5.7% were linked to other global indexes.

Non-recurring revenues increased 20.4% to $18.4 million for the year ended December 31, 2014 compared to $15.3 million for the year ended December 31, 2013, primarily resulting from higher one-time sales in Real Estate products.

The following table presents operating revenues by reportable segment and revenue type for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Operating revenues:				
Index				
Recurring subscriptions	$ 320,113	$ 292,241	$27,872	9.5%
Asset-based fees	177,105	149,487	27,618	18.5%
Non-recurring	6,674	6,686	(12)	(0.2%)
Index total	503,892	448,414	55,478	12.4%
Analytics total	414,085	397,203	16,882	4.3%
All Other				
ESG	28,294	21,308	6,986	32.8%
Real Estate	50,409	46,439	3,970	8.5%
All Other total	78,703	67,747	10,956	16.2%
Total operating revenues	$ 996,680	$ 913,364	$83,316	9.1%

Refer to the section titled, “Segment Results of Operations” for an explanation of the results.

Operating Expenses

Operating expenses increased 15.1% to $659.5 million for the year ended December 31, 2014 compared to $573.0 million for the year ended December 31, 2013, which reflects, in part, the incremental investments we made in 2014 and prior.

We had 2,926 employees as of December 31, 2014 compared to 2,580 employees as of December 31, 2013. As of December 31, 2014, 50.5% of our employees were located in emerging market centers compared to 46.2% of our employees as of December 31, 2013.

The following table presents operating expenses by activity for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Operating expenses:				
Cost of revenues	$ 276,623	$ 240,697	$ 35,926	14.9%
Selling and marketing	163,839	137,693	26,146	19.0%
Research and development	71,095	61,003	10,092	16.5%
General and administrative	76,369	68,458	7,911	11.6%
Amortization of intangible assets	45,877	44,798	1,079	2.4%
Depreciation and amortization of property, equipment and leasehold improvements	25,711	20,384	5,327	26.1%
Total operating expenses	$ 659,514	$ 573,033	$ 86,481	15.1%

Cost of Revenues

Cost of revenues for the year ended December 31, 2014 increased 14.9% to $276.6 million compared to $240.7 million for the year ended December 31, 2013. The increase was primarily driven by higher compensation and benefits costs associated with higher staffing levels as well as higher non-compensation costs including information technology, market data, occupancy and professional fees.

Selling and Marketing

Selling and marketing expenses for the year ended December 31, 2014 increased 19.0% to $163.8 million compared to $137.7 million for the year ended December 31, 2013. The increase was primarily driven by higher compensation and benefits costs associated with higher staffing levels and increased non-compensation costs primarily associated with conferences and events.

Research and Development

R&D expenses for the year ended December 31, 2014 increased 16.5% to $71.1 million compared to $61.0 million for the year ended December 31, 2013. The increase was primarily driven by higher compensation and benefits costs associated with higher staffing levels, partially offset by higher capitalized costs related to internally developed software.

General and Administrative

G&A expenses for the year ended December 31, 2014 increased 11.6% to $76.4 million compared to $68.5 million for the year ended December 31, 2013. The increase was primarily driven by higher professional fees, as well as higher compensation and benefits costs associated with higher staffing levels.

The following table presents operating expenses using compensation and non-compensation categories, rather than using activity categories, for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Compensation and benefits	$ 412,550	$ 361,177	$ 51,373	14.2%
Non-compensation expenses	175,376	146,674	28,702	19.6%
Amortization of intangible assets	45,877	44,798	1,079	2.4%
Depreciation and amortization of property, equipment and leasehold improvements	25,711	20,384	5,327	26.1%
Total operating expenses	$ 659,514	$ 573,033	$ 86,481	15.1%

Compensation and benefits costs for the year ended December 31, 2014 increased 14.2% to $412.6 million compared to $361.2 million for year ended December 31, 2013. The increase in compensation and benefits costs primarily reflects costs related to increased staffing levels.

Non-compensation expenses for the year ended December 31, 2014 increased 19.6% to $175.4 million compared to $146.7 million for the year ended December 31, 2013. The increase was primarily related to higher third-party professional fees as well as higher information technology costs, among other expenses.

Amortization of Intangibles

For the year ended December 31, 2014, amortization of intangibles expense totaled $45.9 million compared to $44.8 million for the year ended December 31, 2013. The 2.4% increase resulted from the increased amortization of intangible assets resulting from the amortization of our capitalized software as well as the GMI Ratings acquisition.

Depreciation and amortization of property, equipment and leasehold improvements

For the years ended December 31, 2014 and 2013, depreciation and amortization of property, equipment and leasehold improvements totaled $25.7 million and $20.4 million, respectively. The 26.1% increase primarily reflected higher depreciation of investments made in our information technology infrastructure.

Other Expense (Income), Net

Other expense (income), net for the year ended December 31, 2014 was $28.8 million, an increase of $1.3 million, or 4.8%, compared to $27.5 million for the year ended December 31, 2013. The increase primarily reflected higher interest expense related charges resulting from our refinancings, largely offset by the impact of income related to our transition services agreement with ISS. Interest expense increased by $5.6 million primarily reflecting a non-cash charge of $7.9 million in the fourth quarter of 2014 related to the accelerated amortization of deferred financing and debt discounts associated with the prepayment of our senior secured term loan facility compared to a similar $1.4 million charge recognized in the prior year associated with a credit facility extension.

Income Taxes

The provision for income tax expense was $109.4 million and $112.9 million for the years ended December 31, 2014 and 2013, respectively. These amounts reflect effective tax rates of 35.5% and 36.1% for the years ended December 31, 2014 and 2013, respectively.

The effective tax rate of 35.5% for the year ended December 31, 2014 reflects our operating rate adjusted for the impact of certain discrete items that increased our effective tax rate by 0.3 percentage points. Included in our effective tax rate was the benefit of the 2014 federal research and development credit, the effect of which reduced our full year effective tax rate by 0.9 percentage points.

Income (loss) from Discontinued Operations, Net of Income Taxes

Income from discontinued operations, net of income taxes was $85.2 million for the year ended December 31, 2014 compared to $22.6 million for the year ended December 31, 2013. The results for the year ended December 31, 2014 included a net gain of $78.7 million resulting from the disposition of ISS.

Adjusted EBITDA

The following table presents the calculation of Adjusted EBITDA for the years indicated:

	Years Ended			
	December 31, 2014	December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Operating revenues	$ 996,680	$ 913,364	$ 83,316	9.1%
Adjusted EBITDA expenses	587,926	508,216	79,710	15.7%
Adjusted EBITDA	$ 408,754	$ 405,148	$ 3,606	0.9%
Adjusted EBITDA margin %	41.0%	44.4%		
Operating margin %	33.8%	37.3%		

Adjusted EBITDA increased 0.9% to $408.8 million for the year ended December 31, 2014 compared to $405.1 million for the year ended December 31, 2013. Adjusted EBITDA margin decreased to 41.0% for the year ended December 31, 2014 compared to 44.4% for the year ended December 31, 2013. The decline in margin reflects, in part, the incremental investments we made in 2014 and prior.

Reconciliation of Adjusted EBITDA to Net Income and Adjusted EBITDA Expenses to Operating Expenses

The following table presents the reconciliation of Adjusted EBITDA to net income for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Index Adjusted EBITDA	$ 349,685	$ 323,558	$ 26,127	8.1%
Analytics Adjusted EBITDA	72,173	97,806	(25,633)	(26.2%)
All Other Adjusted EBITDA	(13,104)	(16,216)	3,112	19.2%
Consolidated Adjusted EBITDA	408,754	405,148	3,606	0.9%
Lease exit charge	—	(365)	365	(100.0%)
Amortization of intangible assets	45,877	44,798	1,079	2.4%
Depreciation and amortization of property, equipment and leasehold improvements	25,711	20,384	5,327	26.1%
Operating income	337,166	340,331	(3,165)	(0.9%)
Other expense (income), net	28,828	27,503	1,325	4.8%
Provision for income taxes	109,396	112,918	(3,522)	(3.1%)
Income from continuing operations	198,942	199,910	(968)	(0.5%)
Income (loss) from discontinued operations, net of income taxes	85,171	22,647	62,524	276.1%
Net income	$ 284,113	$ 222,557	$ 61,556	27.7%

The following table presents the reconciliation of Adjusted EBITDA expenses to operating expenses for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Index Adjusted EBITDA expenses	$ 154,207	$ 124,856	$29,351	23.5%
Analytics Adjusted EBITDA expenses	341,912	299,397	42,515	14.2%
All Other Adjusted EBITDA expenses	91,807	83,963	7,844	9.3%
Consolidated Adjusted EBITDA expenses	587,926	508,216	79,710	15.7%
Lease exit charge	—	(365)	365	(100.0%)
Amortization of intangible assets	45,877	44,798	1,079	2.4%
Depreciation and amortization of property, equipment and leasehold improvements	25,711	20,384	5,327	26.1%
Total operating expenses	$ 659,514	$ 573,033	$86,481	15.1%

Table of Contents

Segment Results

The results for each of our three reportable segments for the years ended December 31, 2014 and 2013 are presented below:

Index Segment

The following table presents the results for the Index segment for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Operating revenues:				
Recurring subscriptions	$ 320,113	$ 292,241	$27,872	9.5%
Asset-based fees	177,105	149,487	27,618	18.5%
Non-recurring	6,674	6,686	(12)	(0.2%)
Operating revenues total	503,892	448,414	55,478	12.4%
Adjusted EBITDA expenses	154,207	124,856	29,351	23.5%
Adjusted EBITDA	$ 349,685	$ 323,558	$26,127	8.1%
Adjusted EBITDA margin %	69.4%	72.2%		

Revenues related to Index products increased 12.4% to $503.9 million for the year ended December 31, 2014 compared to $448.4 million for the year ended December 31, 2013.

Recurring subscription revenues were up 9.5% to $320.1 million for the year ended December 31, 2014 compared to $292.2 million for the year ended December 31, 2013, driven by growth in benchmark products.

Revenues from asset-based fees increased 18.5% to $177.1 million for the year ended December 31, 2014 compared to $149.5 million for the year ended December 31, 2013. The increase was driven by higher average AUM in both ETFs and non-ETF passive funds linked to MSCI indexes.

Index segment Adjusted EBITDA expenses increased 23.5% to $154.2 million for the year ended December 31, 2014 compared to $124.9 million for the year ended December 31, 2013. The increase reflected higher compensation and benefits costs, mainly within selling and marketing, as well as higher non-compensation costs.

Analytics Segment

The following table presents the results for the Analytics segment for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Operating revenues	$ 414,085	$ 397,203	$ 16,882	4.3%
Adjusted EBITDA expenses	341,912	299,397	42,515	14.2%
Adjusted EBITDA	$ 72,173	$ 97,806	$(25,633)	(26.2%)
Adjusted EBITDA margin %	17.4%	24.6%		

Our Analytics segment revenues increased 4.3% to $414.1 million for the year ended December 31, 2014 compared to $397.2 million for the year ended December 31, 2013. The increase was primarily driven by higher revenues from our RiskManager, HedgePlatform, InvestorForce and BarraOne, partially offset by lower revenues from equity risk models.

Analytics segment Adjusted EBITDA expenses increased 14.2% to $341.9 million for the year ended December 31, 2014 compared to $299.4 million for the year ended December 31, 2013. The increase was primarily within cost of revenues and attributable to higher compensation and benefits costs, reflecting higher staffing levels, as well as higher non-compensation costs.

All Other Segment

The following table presents the results for the All Other segment for the years indicated:

	Years Ended December 31, 2014	Years Ended December 31, 2013	Increase/(Decrease)	
	(in thousands)			
Operating revenues				
ESG	$ 28,294	$ 21,308	$ 6,986	32.8%
Real Estate	50,409	46,439	3,970	8.5%
Operating revenues total	78,703	67,747	10,956	16.2%
Adjusted EBITDA expenses	91,807	83,963	7,844	9.3%
Adjusted EBITDA	$ (13,104)	$ (16,216)	$ 3,112	19.2%
Adjusted EBITDA margin %	(16.6%)	(23.9%)		

All Other segment revenues increased 16.2% to $78.7 million for the year ended December 31, 2014 compared to $67.7 million for the year ended December 31, 2013. The increase was driven by higher revenues from our ESG and Real Estate products. Excluding the impact of revenues related to the GMI Ratings acquisition, All Other segment revenues would have increased 11.8% for the year ended December 31, 2014 compared to the year ended December 31, 2013.

All Other segment Adjusted EBITDA expenses increased 9.3% to $91.8 million for the year ended December 31, 2014 compared to $84.0 million for the year ended December 31, 2013. The increase was primarily driven by higher compensation and benefits costs as well as higher non-compensation costs within ESG.

Operating Metrics

Run Rate

At the end of any period, we generally have subscription and investment product license agreements in place for a large portion of total revenues for the following 12 months. We measure the fees related to these agreements and refer to this as “Run Rate.” The Run Rate at a particular point in time primarily represents the forward-looking revenues for the next 12 months from then-current subscriptions and investment product licenses we provide to our clients under renewable contracts or agreements assuming all contracts or agreements that come up for renewal are renewed and assuming then-current currency exchange rates. For any license where fees are linked to an investment product’s assets or trading volume, the Run Rate calculation reflects, for ETF fees, the market value on the last trading day of the period, and for non-ETF funds and futures and options, the most recent periodic fee earned under such license or subscription. The Run Rate does not include fees associated with “one-time” and other non-recurring transactions. In addition, we remove from the Run Rate the fees associated with any subscription or investment product license agreement with respect to which we have received a notice of termination or non-renewal during the period and determined that such notice evidences the client's final decision to terminate or not renew the applicable subscription or agreement, even though such notice is not effective until a later date.

Because the Run Rate represents potential future revenues, there is typically a delayed impact on our operating revenues from changes in our Run Rate. In addition, the actual amount of revenues we will realize over the following 12 months will differ from the Run Rate because of:

- fluctuations in revenues associated with new subscriptions and non-recurring sales;
- modifications, cancellations and non-renewals of existing agreements, subject to specified notice requirements;
- fluctuations in asset-based fees, which may result from changes in certain investment products' total expense ratios, market movements, including foreign currency exchange rates, or from investment inflows into and outflows from investment products linked to our indexes;
- fluctuations in fees based on trading volumes of futures and options contracts linked to our indexes;
- fluctuations in the number of hedge funds for which we provide investment information and risk analysis to hedge fund investors;
- price changes;
- revenue recognition differences under U.S. GAAP, including those related to the timing of implementation and report deliveries for certain of our products and services;
- fluctuations in foreign exchange rates; and
- the impact of acquisitions and dispositions.

Changes in Run Rate between periods may be attributable to, among other things, increases from new subscriptions, decreases from cancellations, increases or decreases, as the case may be, from the change in the value of assets of investment products linked to MSCI indexes, the change in trading volumes of futures and options contracts linked to MSCI indexes, price changes, fluctuations in foreign currency exchange rates and the impact of acquisitions and dispositions.

The following table presents Run Rates by reportable segment and product category as of the dates indicated and the growth percentages over the years indicated:

	As of			Comparison of	
	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2015 to 2014	December 31, 2014 to 2013
		(in thousands)			
Run Rates:					
Index:					
Recurring subscriptions	$ 368,855	$ 335,277	$ 305,150	10.0%	9.9%
Asset-based fees	201,047	174,558	158,305	15.2%	10.3%
Index total	569,902	509,835	463,455	11.8%	10.0%
Analytics	436,671	417,677	405,082	4.5%	3.1%
All Other:					
ESG – recurring subscriptions	40,291	34,482	22,874	16.8%	50.7%
Real Estate – recurring subscriptions	42,386	44,731	43,487	(5.2%)	2.9%
All Other total	82,677	79,213	66,361	4.4%	19.4%
Total Run Rate	$ 1,089,250	$ 1,006,725	$ 934,898	8.2%	7.7%
Recurring subscription total	$ 888,203	$ 832,167	$ 776,593	6.7%	7.2%
Asset-based fees total	201,047	174,558	158,305	15.2%	10.3%
Total Run Rate	$ 1,089,250	$ 1,006,725	$ 934,898	8.2%	7.7%

December 31, 2015 Compared to December 31, 2014

Total Run Rate grew 8.2% to $1,089.3 million as of December 31, 2015 compared to $1,006.7 million as of December 31, 2014. Recurring subscription Run Rate grew 6.7% to $888.2 million as of December 31, 2015 compared to $832.2 million as of December 31, 2014. Adjusting for the impact of foreign currency exchange rate fluctuations, recurring subscription Run Rate would have increased 7.9% as of December 31, 2015 compared to December 31, 2014.

Run Rate from asset-based fees increased 15.2% to $201.0 million at December 31, 2015, from $174.6 million at December 31, 2014, primarily driven by higher AUM in ETFs and non-ETF passive funds as well as increases in futures and options contracts, all linked to MSCI indexes. As of December 31, 2015, the value of AUM in ETFs linked to MSCI indexes was $433.4 billion, up $60.1 billion, or 16.1%, from $373.3 billion as of December 31, 2014. The increase of $60.1 billion consisted of net inflows of $87.7 billion, partially offset by market depreciation of $27.6 billion.

Index recurring subscription Run Rate grew 10.0% to $368.9 million at December 31, 2015 compared to $335.3 million at December 31, 2014 on growth in benchmark and data products.

Total Run Rate from Analytics products increased 4.5% to $436.7 million at December 31, 2015 compared to $417.7 million at December 31, 2014, primarily driven by growth in RiskManager, equity models and InvestorForce products. Adjusting for the impact of foreign currency exchange rate fluctuations, Run Rate for Analytics would have increased 6.0% as of December 31, 2015 compared to December 31, 2014.

Total Run Rate from All Other products increased 4.4% to $82.7 million at December 31, 2015 compared to $79.2 million at December 31, 2014.

ESG products Run Rate increased 16.8% to $40.3 million at December 31, 2015 compared to $34.5 million at December 31, 2014. Adjusting for the impact of foreign currency exchange rate fluctuations, Run Rate would have increased 19.5% as of December 31, 2015 compared to December 31, 2014.

Real Estate products Run Rate decreased 5.2% to $42.4 million at December 31, 2015 compared to $44.7 million at December 31, 2014. Adjusting for the impact of foreign currency exchange rate fluctuations, Run Rate would have increased 1.9% as of December 31, 2015 compared to December 31, 2014.

December 31, 2014 Compared to December 31, 2013

Total Run Rate grew 7.7% to $1,006.7 million as of December 31, 2014 compared to $934.9 million as of December 31, 2013. Recurring subscription Run Rate grew 7.2% to $832.2 million as of December 31, 2014 compared to $776.6 million as of December 31, 2013. Adjusting for the impact of foreign currency exchange rate fluctuations and excluding the acquisition of GMI Ratings, recurring subscription Run Rate would have increased 8.1% as of December 31, 2014 compared to December 31, 2013.

Run Rate from asset-based fees rose 10.3% to $174.6 million at December 31, 2014, from $158.3 million at December 31, 2013, primarily driven by higher average AUM in non-ETF passive funds as well as higher trading volumes in futures and options contracts, all linked to MSCI indexes. As of December 31, 2014, the value of AUM in ETFs linked to MSCI indexes was $373.3 billion, up $40.4 billion, or 12.1%, from $332.9 billion as of December 31, 2013. The increase of $40.4 billion consisted of net inflows of $49.4 billion, partially offset by market depreciation of $9.0 billion.

Index recurring subscription Run Rate grew 9.9% to $335.3 million at December 31, 2014 compared to $305.2 million at December 31, 2013 on growth in benchmark and data products.

Total Run Rate from Analytics products increased 3.1% to $417.7 million at December 31, 2014 compared to $405.1 million at December 31, 2013, primarily driven by growth in RiskManager, equity models, HedgePlatform and InvestorForce products.

Total Run Rate from All Other products increased 19.4% to $79.2 million at December 31, 2014 compared to $66.4 million at December 31, 2013.

ESG products Run Rate increased 50.7% to $34.5 million at December 31, 2014 compared to $22.9 million at December 31, 2013. Adjusting for the impact of foreign currency exchange rate fluctuations and excluding the impact of the GMI Ratings acquisition, Run Rate would have increased 22.2% as of December 31, 2014 compared to December 31, 2013.

Real Estate products Run Rate increased 2.9% to $44.7 million at December 31, 2014 compared to $43.5 million at December 31, 2013. Adjusting for the impact of foreign currency exchange rate fluctuations, Run Rate would have increased 11.9% as of December 31, 2014 compared to December 31, 2013.

Subscription Sales

The following table presents our recurring subscription sales, cancellations and non-recurring sales by reportable segment for the years indicated:

	Years Ended December 31, 2015	Years Ended December 31, 2014	Years Ended December 31, 2013	Comparison of December 31, 2015 to 2014	Comparison of December 31, 2014 to 2013
	(in thousands)				
New recurring subscription sales					
Index	$ 49,521	$ 44,547	$ 42,389	11.2%	5.1%
Analytics	52,819	55,588	53,932	(5.0%)	3.1%
All Other	16,657	17,508	14,660	(4.9%)	19.4%
New recurring subscription sales total	118,997	117,643	110,981	1.2%	6.0%
Subscription cancellations					
Index	(16,254)	(14,310)	(16,064)	13.6%	(10.9%)
Analytics	(29,362)	(33,172)	(40,917)	(11.5%)	(18.9%)
All Other	(9,042)	(7,173)	(5,591)	26.1%	28.3%
Subscription cancellations total	(54,658)	(54,655)	(62,572)	—%	(12.7%)
Net new recurring subscription sales					
Index	33,267	30,237	26,325	10.0%	14.9%
Analytics	23,457	22,416	13,015	4.6%	72.2%
All Other	7,615	10,335	9,069	(26.3%)	14.0%
Net new recurring subscription sales total	64,339	62,988	48,409	2.1%	30.1%
Non-recurring					
Index	8,964	8,956	7,438	0.1%	20.4%
Analytics	7,286	4,837	2,243	50.6%	115.6%
All Other	4,880	6,377	8,227	(23.5%)	(22.5%)
Non-recurring sales total	21,130	20,170	17,908	4.8%	12.6%
Total Index	42,231	39,193	33,763	7.8%	16.1%
Total Analytics	30,743	27,253	15,258	12.8%	78.6%
Total All Other	12,495	16,712	17,296	(25.2%)	(3.4%)
Total net sales	$ 85,469	$ 83,158	$ 66,317	2.8%	25.4%

Aggregate Retention Rate

Another key metric is our "Aggregate Retention Rate." This metric is important because subscription cancellations decrease our Run Rate and ultimately our operating revenues. The annual Aggregate Retention Rate represents the retained subscription Run Rate (beginning subscription Run Rate less actual cancels during the year) as a percentage of the subscription Run Rate at the beginning of the fiscal year. If a client reduces the number of products to which it subscribes or switches between our products, we treat it as a cancellation for purposes of calculating our Aggregate Retention Rate. Our Aggregate Retention Rate is computed on a product-by-product basis. In addition, we treat any reduction in fees resulting from renegotiated contracts as a cancellation in the calculation to the extent of the reduction. We do not calculate Aggregate Retention Rate for that portion of our Run Rate attributable to assets in investment products linked to our indexes or to trading volumes of futures and options contracts linked to our indexes. Aggregate Retention Rate for a non-annual period reflects the annualization of the cancels recorded in the period.

The following table presents our Aggregate Retention Rate by reportable segment and product category for the periods indicated for the years ended December 31, 2015, 2014 and 2013:

	Index	Analytics	All Other	Total
2015				
Quarter Ended March 31,	97.2%	92.9%	90.7%	94.4%
Quarter Ended June 30,	95.4%	93.8%	90.7%	94.2%
Quarter Ended September 30,	95.4%	95.3%	89.1%	94.8%
Quarter Ended December 31,	92.7%	89.9%	83.9%	90.4%
Year Ended December 31,	95.2%	93.0%	88.6%	93.4%
2014				
Quarter Ended March 31,	95.4%	90.9%	92.4%	92.8%
Quarter Ended June 30,	95.3%	92.4%	88.5%	93.2%
Quarter Ended September 30,	95.3%	94.2%	94.3%	94.6%
Quarter Ended December 31,	95.2%	89.7%	83.9%	91.3%
Year Ended December 31,	95.3%	91.8%	89.5%	93.0%
2013				
Quarter Ended March 31,	95.6%	90.1%	92.0%	92.4%
Quarter Ended June 30,	94.9%	90.7%	90.2%	92.3%
Quarter Ended September 30,	94.4%	91.0%	96.2%	92.7%
Quarter Ended December 31,	92.1%	86.6%	83.7%	88.5%
Year Ended December 31,	94.2%	89.6%	90.5%	91.5%

The quarterly Aggregate Retention Rate is calculated by annualizing the actual cancellations recorded during the quarter. This annualized cancellation figure is then divided by the subscription Run Rate at the beginning of the year to calculate a cancellation rate. This cancellation rate is then subtracted from 100% to derive the annualized Aggregate Retention Rate for the quarter.

For example, in the fourth quarter of 2015, we recorded cancellations of $19.9 million. To derive the Aggregate Retention Rate for the fourth quarter, we annualized the actual cancellations during the quarter of $19.9 million to derive $79.6 million of annualized cancellations. This $79.6 million was then divided by the $832.2 million subscription Run Rate at the beginning of the year to derive a cancellation rate of 9.6%. The 9.6% was then subtracted from 100.0% to derive an Aggregate Retention Rate of 90.4% for the fourth quarter.

For the year ended December 31, 2015, 36.5% of our cancellations occurred in the fourth quarter. Historically, the Aggregate Retention Rate has generally been higher during the first three quarters and lower in the fourth quarter, as the fourth quarter is traditionally the largest renewal period in the year.

Liquidity and Capital Resources

We require capital to fund ongoing operations, internal growth initiatives and acquisitions. Our primary sources of liquidity are cash flows generated from our operations, existing cash and cash equivalents and credit capacity under our existing credit facilities. In addition, we believe we have access to additional funding in the public and private markets. We intend to use these sources of liquidity to, among other things, service our existing and future debt obligations and fund our working capital requirements, capital expenditures, investments, acquisitions, dividend payments and repurchases of our common stock. In connection with our business strategy, we regularly evaluate acquisition opportunities. We believe our liquidity, along with other financing alternatives, will provide the necessary capital to fund these transactions and achieve our planned growth.

Senior Notes and Credit Agreement

We have issued an aggregate of $1.6 billion in senior unsecured notes in two discrete private offerings of $800.0 million each. On November 20, 2014, we completed our first private offering of $800.0 million aggregate principal amount of 5.25% senior unsecured notes due 2024 (the "2024 Senior Notes") and also entered into a $200.0 million senior unsecured revolving credit agreement (the "2014 Revolving Credit Agreement") by and among the Company, as borrower, certain of MSCI's subsidiaries, as guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. We used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to repay in full our outstanding term loan indebtedness of $794.8 million, which bore interest at LIBOR plus a margin of 2.25%.

On August 13, 2015, we completed our second private offering of $800.0 million aggregate principal amount of 5.75% senior unsecured notes due 2025 (the "2025 Senior Notes" and together with the 2024 Senior Notes, the "Senior Notes"). We intend to use the net proceeds from the offering of the 2025 Senior Notes for general corporate purposes, including, without limitation, buybacks of MSCI common stock.

The 2024 Senior Notes are scheduled to mature and be paid in full on November 20, 2024. At any time prior to November 15, 2019, we may redeem all or part of the 2024 Senior Notes upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, we may redeem all or part of the 2024 Senior Notes, together with accrued and unpaid interest, on or after November 15, 2019, at redemption prices set forth in the indenture governing our 2024 Senior Notes. At any time prior to November 15, 2017, we may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2024 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.25% of the principal amount.

The 2014 Revolving Credit Agreement replaced the prior senior secured revolving credit facility. The 2014 Revolving Credit Agreement has an initial term of five years that may be extended twice, at our request, in each case by one additional year.

The 2025 Senior Notes are scheduled to mature and be paid in full on August 15, 2025. At any time prior to August 15, 2020, we may redeem all or part of the 2025 Senior Notes upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, we may redeem all or part of the 2025 Senior Notes, together with accrued and unpaid interest, on or after August 15, 2020, at redemption prices set forth in the indenture governing our 2025 Senior Notes. At any time prior to August 15, 2018, we may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2025 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.75% of the principal amount.

Interest payments attributable to the 2024 Senior Notes are due on May 15 and November 15 of each year. The first interest payment was made on May 15, 2015. We paid $41.4 million of interest attributable to the 2024 Senior Notes during the year ended December 31, 2015. Interest payments attributable to the 2025 Senior Notes are due on February 15 and August 15 of each year. The first interest payment was made on February 16, 2016.

The Senior Notes and the 2014 Revolving Credit Agreement are fully and unconditionally, and jointly and severally, guaranteed by our direct or indirect wholly-owned domestic subsidiaries that account for more than 5% of our and our subsidiaries' consolidated assets, other than certain excluded subsidiaries (the "subsidiary guarantors"). Amounts due under the 2014 Revolving Credit Agreement are our and the subsidiary guarantors' senior unsecured obligations and rank equally with the Senior Notes and any of our other unsecured, unsubordinated debt, senior to any of our subordinated debt and effectively subordinated to our secured debt to the extent of the assets securing such debt.

The Indentures governing our Senior Notes (the "Indentures") among us, each of the subsidiary guarantors, and Wells Fargo Bank, National Association, as trustee, contain covenants that limit our and certain of our subsidiaries' ability to, among other things, incur liens, enter into sale/leaseback transactions and consolidate, merge or sell all or substantially all of our assets. In addition, the Indentures restrict our non-guarantor subsidiaries' ability to create, assume, incur or guarantee additional indebtedness without such non-guarantor subsidiaries guaranteeing the Senior Notes on a *pari passu* basis.

The 2014 Revolving Credit Agreement contains affirmative and restrictive covenants that, among other things, limit our ability and the ability of our existing or future subsidiaries to:

- incur liens and further negative pledges;
- incur additional indebtedness or prepay, redeem or repurchase indebtedness;
- make loans or hold investments;
- merge, dissolve, liquidate, consolidate with or into another person;
- enter into acquisition transactions;
- enter into sale/leaseback transactions;
- issue disqualified capital stock;
- sell, transfer or dispose of assets;
- pay dividends or make other distributions in respect of our capital stock or engage in stock repurchases, redemptions and other restricted payments;
- create new subsidiaries;
- permit certain restrictions affecting our subsidiaries;
- change the nature of our business, accounting policies or fiscal periods;
- enter into any transactions with affiliates other than on an arm's length basis; and
- amend our organizational documents or amend, modify or change the terms of certain agreements relating to our indebtedness.

The 2014 Revolving Credit Agreement and the Indentures also contain customary events of default, including those relating to non-payment, breach of representations, warranties or covenants, cross-default and cross-acceleration, bankruptcy and insolvency events, invalidity or impairment of loan documentation or collateral, change of control and customary ERISA defaults. None of the restrictions above are expected to impact our ability to effectively operate the business.

The 2014 Revolving Credit Agreement also requires us and our subsidiaries to achieve financial and operating results sufficient to maintain compliance with the following financial ratios on a consolidated basis through the termination of the 2014 Revolving Credit Agreement: (1) the maximum Consolidated Leverage Ratio (as defined in the 2014 Revolving Credit Agreement) measured quarterly on a rolling four-quarter basis shall not exceed 3.75:1.00 and (2) the minimum Consolidated Interest Coverage Ratio (as defined in the 2014 Revolving Credit Agreement) measured quarterly on a rolling four-quarter basis shall be at least 4.00:1.00. As of December 31, 2015, our Consolidated Leverage Ratio was 3.08:1.00 and our Consolidated Interest Coverage Ratio was 8.64:1.00.

Our non-guarantor subsidiaries of the Senior Notes consist of: (i) domestic subsidiaries of the Company that account for 5% or less of consolidated assets of the Company and its subsidiaries and (ii) any foreign or domestic subsidiary of the Company that is deemed to be a controlled foreign corporation within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended. Our non-guarantor subsidiaries accounted for approximately $196.7 million, or 18.3%, of our total revenue for the twelve months ended December 31, 2015, approximately $76.8 million, or 19.0%, of our consolidated operating income for the twelve months ended December 31, 2015, and approximately $405.5 million, or 12.9%, of our consolidated total assets (excluding intercompany assets) and $162.5 million, or 7.2%, of our consolidated total liabilities, in each case as of December 31, 2015.

Share Repurchases

On February 6, 2014, we entered into the February 2014 ASR Agreement to initiate share repurchases aggregating $100.0 million. As a result, we received 1.7 million shares of our common stock on February 7, 2014 and 0.6 million shares of our common stock on May 5, 2014 for a combined average purchase price of $43.10 per share.

On September 18, 2014, we entered into the September 2014 ASR Agreement. On September 19, 2014, we paid $300.0 million in cash and received approximately 4.5 million shares of our common stock under the September 2014 ASR Agreement. On May 21, 2015, we completed the September ASR Program, receiving approximately 1.2 million shares of our common stock. In total, 5.7 million shares of our common stock were delivered for an average purchase price of $52.79 per share. The repurchased shares are held in treasury.

On June 2, 2015, we began purchasing shares of our common stock on the open market in accordance with SEC Rule 10b5-1.

During October 2015, we completed the $850.0 million repurchase authorization under the 2014 Repurchase Program. Since the introduction of the 2014 Repurchase Program, we have purchased a total of 14.7 million shares of our common stock for an average purchase price of $57.99 per share under the 2014 Repurchase Program.

On October 28, 2015, the Board of Directors approved a new stock repurchase program authorizing the purchase of up to $1.0 billion worth of shares of MSCI's common stock (the "2015 Repurchase Program"). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

Subsequent to the year ended December 31, 2015 and through February 19, 2016, an additional 2.6 million shares of our common stock were repurchased for a total value of $170.6 million.

Cash Dividends

On February 2, 2016, the Board of Directors declared a quarterly dividend of $0.22 per share of common stock to be paid on March 11, 2016 to shareholders of record as of the close of trading on February 19, 2016.

Cash flows

	As of	
	December 31, 2015	**December 31, 2014**
	(in thousands)	
Cash and cash equivalents	$ 777,706	$ 508,799

Cash Provided by (Used In) Operating, Investing, and Financing Activities

	Years Ended		
	December 31, 2015	December 31, 2014(1)	December 31, 2013(2)
	(in thousands)		
Net cash provided by operating activities	$ 305,994	$ 305,673	$ 321,183
Net cash (used in) provided by investing activities	$ (48,861)	$ 297,037	$ 4,121
Net cash provided by (used in) financing activities	$ 19,949	$ (442,328)	$ (146,584)
Effect of exchange rates on cash and cash equivalents	$ (8,175)	$ (10,017)	$ (3,595)
Net increase in cash and cash equivalents	$ 268,907	$ 150,365	$ 175,125

(1) Includes results from ISS through its deposition on April 30, 2014.
(2) Includes full year results from ISS.

Cash and Cash Equivalents

Cash and cash equivalents were $777.7 million and $508.8 million as of December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, $128.1 million and $102.3 million, respectively, of the cash and cash equivalents were held by foreign subsidiaries, which could be subject to U.S. federal income taxation on repatriation to the U.S. and some of which could be subject to local country taxes if repatriated to the U.S. In addition, repatriation of some foreign cash is further restricted by local laws.

We believe that domestic cash flows from operations, together with existing cash and cash equivalents, will continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities, such as material capital expenditures, for at least the next 12 months and for the foreseeable future thereafter. In addition, we expect existing foreign cash flows from operations, together with existing cash and cash equivalents, will continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and for the foreseeable future thereafter.

In addition, as a result of our efforts to align our tax profile with our global operating footprint, we expect our cash balances to grow outside the U.S. over time. These balances will be available to meet our needs outside the U.S. whether it be for general corporate purpose or other needs, including acquisitions or expansion of our products.

Cash Flows From Operating Activities

Cash flows from operating activities consist of net income adjusted for certain non-cash items and changes in assets and liabilities. Cash provided by operating activities was $306.0 million and $305.7 million for the years ended December 31, 2015 and 2014, respectively. The year ended December 31, 2015 reflects higher cash inflows from operating results, offset by higher payments related to interest and cash taxes. Cash flows from operating activities for the year ended December 31, 2014 includes cash flows from discontinued operations.

Cash flows from operating activities consist of net income adjusted for certain non-cash items and changes in assets and liabilities. Cash provided by operating activities was $305.7 million and $321.2 million for the years ended December 31, 2014 and 2013, respectively. The year-over-year decrease primarily reflects higher cash expenses during the year ended December 31, 2014.

Our primary uses of cash from operating activities are for the payment of cash compensation expenses, office rent, technology costs, market data costs, interest expenses and income taxes. Historically, the payment of cash for compensation and benefits is at its highest level in the first quarter when we pay discretionary employee compensation related to the previous fiscal year.

Cash Flows From Investing Activities

Cash used in investing activities was $48.9 million for the year ended December 31, 2015 compared to cash provided by investing activities of $297.0 million for the year ended December 31, 2014. The $345.9 million year-over-year decrease primarily reflects the impact for the year ended December 31, 2014 of $362.8 million in cash received upon the disposition of ISS, partially offset by the purchase of GMI Ratings.

Cash provided by investing activities was $297.0 million and $4.1 million for the years ended December 31, 2014 and 2013, respectively. The $292.9 million year-over-year increase in cash provided by investing activities primarily reflects net cash inflows resulting from the disposition of ISS during the year ended December 31, 2014. Partially offsetting this were the cash inflows from the maturation of short-term investments received during the year ended December 31, 2013. In the year ended December 31, 2013, we began investing excess cash in money market funds and other similar cash equivalents rather than U.S. Treasury securities and other short-term investments as we had in prior periods.

Cash Flows From Financing Activities

Cash provided by financing activities was $19.9 million for the year ended December 31, 2015 compared to cash used in financing activities of $442.3 million for the year ended December 31, 2014. The year-over-year increase primarily reflects the impact of our 2025 Senior Notes offering in August 2015, partially offset by higher share repurchases as well as the payments of dividends, which began in the three months ended December 31, 2014.

Cash used in financing activities was $442.3 million and $146.6 million for the years ended December 31, 2014 and 2013, respectively. The year-over-year increase primarily reflects increased purchases of treasury shares and the first dividend payment made, partially offset by lower repayments on our debt.

Contractual Obligations

Our contractual obligations consist primarily of leases for office space, leases for equipment and other operating leases, obligations to vendors arising out of market data contracts and our debt obligations arising from the issuance of the Senior Notes. The following table summarizes our contractual obligations for the periods indicated as of December 31, 2015:

		Years Ending December 31,					
(in thousands)	**Total**	**2016**	**2017**	**2018**	**2019**	**2020**	**Thereafter**
Operating leases	$ 265,956	$ 28,170	$ 26,416	$ 25,064	$ 20,369	$ 17,863	$ 148,074
Vendor obligations	96,046	42,495	20,724	19,611	8,488	4,728	—
Senior Notes (1)	2,438,000	88,000	88,000	88,000	88,000	88,000	1,998,000
Total contractual obligations	$ 2,800,002	$ 158,665	$ 135,140	$ 132,675	$ 116,857	$ 110,591	$ 2,146,074

(1) Includes the impact of payments for the principal amount on the 2024 Senior Notes and the 2025 Senior Notes plus interest based on the 5.25% and 5.75% coupon interest rate, respectively.

The obligations related to MSCI's uncertain tax positions, which are not considered material, have been excluded from the table above because of the uncertainty surrounding the timing and final amounts of any settlement.

Off-Balance Sheet Arrangements

At December 31, 2015 and 2014, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Recent Accounting Standards Updates

See Note 2, “Recent Accounting Standards Updates,” of the Notes to the Consolidated Financial Statements included herein for further information.

Item 7A. *Qualitative and Quantitative Disclosures About Market Risk*

Foreign Currency Risk

We are subject to foreign currency exchange fluctuation risk. Exchange rate movements can impact the U.S. dollar reported value of our revenues, expenses, assets and liabilities denominated in non-U.S. dollar currencies or where the currency of such items is different than the functional currency of the entity where these items were recorded.

For all operations outside the U.S. where the Company has designated the local non-U.S. dollar currency as the functional currency, revenue and expenses are translated using average monthly exchange rates and assets and liabilities are translated into U.S. dollars using month-end exchange rates. For these operations, currency translation adjustments arising from a change in the rate of exchange between the functional currency and the U.S. dollar are accumulated in a separate component of shareholders’ equity. In addition, transaction gains and losses arising from a change in exchange rates for transactions denominated in a currency other than the functional currency of the entity are reflected in non-operating “Other expense (income), net” in our Consolidated Statement of Income.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of our clients in Euros, British pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. For the years ended December 31, 2015 and 2014, 17.8% and 20.2%, respectively, of our revenues are subject to foreign currency exchange rate risk and primarily includes clients billed in foreign currency as well as U.S. dollar exposures on non-U.S. dollar foreign operating entities. Of the 17.8% of non-U.S dollar exposure for the year ended December 31, 2015, 37.0% was in British pounds sterling, 35.8% was in Euros and 21.6% was in Japanese yen. Of the 20.2% of non-U.S dollar exposure for the year ended December 31, 2014, 38.3% was in Euros, 34.0% was in British pounds sterling and 21.7% was in Japanese yen.

Revenues from index-linked investment products represented 18.4% and 17.8% of operating revenues for the years ended December 31, 2015 and 2014, respectively. While a substantial portion of our fees for index-linked investment products are invoiced in U.S. dollars, the fees are based on the investment product’s assets, of which two-thirds are invested in securities denominated in currencies other than the U.S. dollar. Accordingly, declines in such other currencies against the U.S. dollar will decrease the fees payable to us under such licenses. In addition, declines in such currencies against the U.S. dollar could impact the attractiveness of such investment products resulting in net fund outflows, which would further reduce the fees payable under such licenses.

We are exposed to additional foreign currency risk in certain of our operating costs. Approximately 41.3% and 43.1% of our operating expenses, including operating expense attributable to income (loss) from discontinued operations, net of income taxes, for the years ended December 31, 2015 and 2014, respectively, were denominated in foreign currencies, the significant majority of which were denominated in British pounds sterling, Indian rupees, Swiss francs, Euros, Hungarian forints, Hong Kong dollars, Chinese yuan and Mexican pesos. Expenses incurred in foreign currency may increase as we expand our business outside the U.S.

We have certain monetary assets and liabilities denominated in currencies other than local functional amounts and when these balances were remeasured into their local functional currency, either a gain or a loss resulted from the change of the value of the functional currency as compared to the originating currencies. We manage foreign currency exchange rate risk, in part, through the use of derivative financial instruments comprised principally of forward contracts on foreign currency which are not designated as hedging instruments for accounting purposes. The objective of the derivative instruments is to minimize the income statement impact associated with amounts denominated in certain foreign currencies. We recognized total foreign currency exchange losses of $2.2 million, $3.0 million and $2.4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Item 8. *Financial Statements and Supplementary Data*

The information required by this Item is set forth beginning on page F-1 of this Annual Report on Form 10-K.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

(a). Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as appropriate, to allow timely decisions regarding required disclosure.

Management of the Company, with the participation of its CEO and CFO, evaluated the effectiveness of the Company's disclosure controls and procedures. Based on their evaluation, as of December 31, 2015, the end of the period covered by this Annual Report on Form 10-K, the Company's CEO and CFO have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

(b). Management's Annual Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers or persons performing similar functions and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP") and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets,
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company, and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015 based on the criteria described in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, management, including the Company's CEO and CFO, concluded that, as of December 31, 2015, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

PricewaterhouseCoopers, LLP, our independent registered public accounting firm, has audited and issued a report on the effectiveness of our internal control over financial reporting as of December 31, 2015, which appears on page F-2 of this Annual Report on Form 10-K.

(c). Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Except for the information relating to our Executive Officers set forth in Part I of this Annual Report on Form 10-K, we incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2015.

Information regarding our Code of Ethics and Business Conduct and Corporate Governance Policies is incorporated herein by reference from our Proxy Statement, which will be filed no later than 120 days after December 31, 2015. Any amendments to, or waivers from, a provision of our Codes of Ethics that apply to our principal executive officer, principal financial officer, controller, or persons performing similar functions and that relates to any element of the Code of Ethics enumerated in paragraph (b) of Item 406 of Regulation S-K shall be disclosed by posting such information on our website at www.msci.com. The information on our website is not and should not be considered a part of this Annual Report on Form 10-K.

Item 11. *Executive Compensation*

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2015.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2015. The information provided under Part II, Item 5. “Market for Registrant’s Common Equity, Related Stockholder Matters And Issuer Purchases of Equity Securities” of this Annual Report on Form 10-K is incorporated by reference herein.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2015.

Item 14. *Principal Accounting Fees and Services*

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement, which will be filed no later than 120 days after December 31, 2015.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

(a)(1) ***Financial Statements***

The financial statements begin on page F-1 of this Annual Report on Form 10-K.

(a)(2) ***Financial Statement Schedules***

No financial statement schedules are provided because the information called for is not applicable or not required or is included in the consolidated financial statements or the notes thereto beginning on page F-1 of this Annual Report on Form 10-K.

(a)(3) ***Exhibits***

The information required by this Item is set forth on the exhibit index that begins on page EX-1 of this Annual Report on Form 10-K.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MSCI INC.

By: /S/ HENRY A. FERNANDEZ
Name: Henry A. Fernandez
Title: Chairman, Chief Executive Officer and President

Date: February 26, 2016

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert Qutub, Frederick W. Bogdan and Cecilia Aza, and each or any one of them, his or her true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in the capacities indicated below, to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming his or her signatures as they may be signed by his or her said attorneys-in-fact and agents, or their substitute or substitutes, to any and all amendments to this Annual Report on Form 10-K.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ HENRY A. FERNANDEZ **Henry A. Fernandez**	Chairman, Chief Executive Officer, and President (principal executive officer)	February 26, 2016
/S/ ROBERT QUTUB **Robert Qutub**	Chief Financial Officer (principal financial officer)	February 26, 2016
/S/ RICHARD J. NAPOLITANO **Richard J. Napolitano**	Global Controller (principal accounting officer)	February 26, 2016
/S/ ROBERT G. ASHE **Robert G. Ashe**	Director	February 26, 2016
/S/ BENJAMIN F. DUPONT **Benjamin F. duPont**	Director	February 26, 2016
/S/ WAYNE EDMUNDS **Wayne Edmunds**	Director	February 26, 2016
/S/ D. ROBERT HALE **D. Robert Hale**	Director	February 26, 2016

Signature	Title	Date
/S/ ALICE W. HANDY **Alice W. Handy**	Director	February 26, 2016
/S/ CATHERINE R. KINNEY **Catherine R. Kinney**	Director	February 26, 2016
/S/ WENDY E. LANE **Wendy E. Lane**	Director	February 26, 2016
/S/ LINDA H. RIEFLER **Linda H. Riefler**	Director	February 26, 2016
/S/ GEORGE W. SIGULER **George W. Siguler**	Director	February 26, 2016
/S/ PATRICK TIERNEY **Patrick Tierney**	Director	February 26, 2016
/S/ RODOLPHE M. VALLEE **Rodolphe M. Vallee**	Director	February 26, 2016

[Table of Contents](#)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of MSCI Inc.

In our opinion, the accompanying consolidated statements of financial condition and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of MSCI Inc. and its subsidiaries at December 31, 2015 and December 31, 2014, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report On Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of MSCI Inc.

We have audited the consolidated statements of income, comprehensive income, shareholders' equity, and cash flows of MSCI Inc. and subsidiaries (the "Company") for the year ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the results of operations and cash flows for MSCI Inc. and subsidiaries for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 28, 2014 (February 27, 2015 as to the effects of discontinued operations as discussed in Note 3 and February 26, 2016 as to the change in segments as discussed in Note 13)

MSCI INC.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	As of	
	December 31, 2015	December 31, 2014
	(in thousands, except per share and share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 777,706	$ 508,799
Accounts receivable (net of allowances of $1,117 and $857 as of December 31, 2015 and 2014, respectively)	208,239	178,717
Deferred taxes	—	22,209
Prepaid income taxes	46,115	29,180
Prepaid and other assets	31,211	30,553
Total current assets	1,063,271	769,458
Property, equipment and leasehold improvements (net of accumulated depreciation of $114,680 and $92,808 at December 31, 2015 and 2014, respectively)	98,926	94,074
Goodwill	1,565,621	1,564,904
Intangible assets (net of accumulated amortization of $418,512 and $372,209 at December 31, 2015 and 2014, respectively)	391,490	433,628
Non-current deferred tax assets	9,180	3,944
Other non-current assets	18,499	16,525
Total assets	$ 3,146,987	$ 2,882,533
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,512	$ 2,835
Accrued compensation and related benefits	116,619	111,408
Other accrued liabilities	61,433	47,894
Deferred revenue	317,552	310,775
Total current liabilities	498,116	472,912
Long-term debt	1,579,404	788,358
Deferred taxes	110,937	137,838
Other non-current liabilities	57,043	50,592
Total liabilities	2,245,500	1,449,700
Commitments and Contingencies (see Note 6 and Note 10)		
Shareholders' equity:		
Preferred stock (par value $0.01; 100,000,000 shares authorized; no shares issued)	—	—
Common stock (par value $0.01; 750,000,000 common shares authorized at December 31, 2015 and 2014; 128,200,189 and 126,637,390 common shares issued at December 31, 2015 and 2014, respectively; and 101,013,148 and 112,072,469 common shares outstanding at December 31, 2015 and 2014, respectively)	1,282	1,266
Treasury shares, at cost (27,187,041 and 14,564,921 shares at December 31, 2015 and 2014, respectively)	(1,395,695)	(588,378)
Additional paid in capital	1,173,183	1,022,221
Retained earnings	1,158,462	1,022,695
Accumulated other comprehensive loss	(35,745)	(24,971)
Total shareholders' equity	901,487	1,432,833
Total liabilities and shareholders' equity	$ 3,146,987	$ 2,882,533

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
	(in thousands, except per share and share data)		
Operating revenues	$ 1,075,013	$ 996,680	$ 913,364
Operating expenses:			
Cost of revenues	267,695	276,623	240,697
Selling and marketing	162,294	163,839	137,693
Research and development	77,320	71,095	61,003
General and administrative	86,007	76,369	68,458
Amortization of intangible assets	46,910	45,877	44,798
Depreciation and amortization of property, equipment and leasehold improvements	30,889	25,711	20,384
Total operating expenses	671,115	659,514	573,033
Operating income	403,898	337,166	340,331
Interest income	(1,166)	(851)	(889)
Interest expense	62,387	31,820	26,256
Other expense (income)	(6,877)	(2,141)	2,136
Other expense (income), net	54,344	28,828	27,503
Income from continuing operations before provision for income taxes	349,554	308,338	312,828
Provision for income taxes	119,516	109,396	112,918
Income from continuing operations	230,038	198,942	199,910
Income (loss) from discontinued operations, net of income taxes	(6,390)	85,171	22,647
Net income	$ 223,648	$ 284,113	$ 222,557
Earnings per basic common share:			
Earnings per basic common share from continuing operations	$ 2.11	$ 1.72	$ 1.66
Earnings per basic common share from discontinued operations	(0.06)	0.73	0.19
Earnings per basic common share	$ 2.05	$ 2.45	$ 1.85
Earnings per diluted common share:			
Earnings per diluted common share from continuing operations	$ 2.09	$ 1.70	$ 1.64
Earnings per diluted common share from discontinued operations	(0.06)	0.73	0.19
Earnings per diluted common share	$ 2.03	$ 2.43	$ 1.83
Weighted average shares outstanding used in computing earnings per share:			
Basic	109,124	115,737	120,100
Diluted	109,926	116,706	121,074
Dividends declared per common share	$ 0.80	$ 0.18	$ —

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
		(in thousands)	
Net income	$ 223,648	$ 284,113	$ 222,557
Other comprehensive income (loss):			
Foreign currency translation adjustments	(12,253)	(18,053)	1,295
Income tax effect	135	(132)	(500)
Foreign currency translation adjustments, net	(12,118)	(18,185)	795
Unrealized gains (losses) on cash flow hedges	—	—	1,364
Income tax effect	—	—	(524)
Unrealized gains (losses) on cash flow hedges, net	—	—	840
Unrealized gains (losses) on available-for-sale securities	—	—	(5)
Income tax effect	—	—	2
Unrealized gains (losses) on available-for-sale securities, net	—	—	(3)
Pension and other post-retirement adjustments	1,872	(8,299)	624
Income tax effect	(528)	2,163	(110)
Pension and other post-retirement adjustments, net	1,344	(6,136)	514
Other comprehensive income (loss), net of tax	(10,774)	(24,321)	2,146
Comprehensive income	$ 212,874	$ 259,792	$ 224,703

See Notes to Consolidated Financial Statements.

MSCI INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	(in thousands)					
Balance at December 31, 2012	$ 1,240	$ (120,926)	$1,000,014	$ 536,418	$ (2,796)	$1,413,950
Net income				222,557		222,557
Other comprehensive income (loss), net of tax					2,146	2,146
Common stock issued	8					8
Compensation payable in common stock and options			24,552			24,552
Common stock repurchased and held in treasury		(147,183)	35,000			(112,183)
Common stock issued to directors and held in treasury		(282)				(282)
Exercise of stock options	8		11,694			11,702
Excess tax benefits from employee stock incentive plans			1,897			1,897
Balance at December 31, 2013	$ 1,256	$ (268,391)	$1,073,157	$ 758,975	$ (650)	$1,564,347
Net income				284,113		284,113
Dividends		(4)		(20,393)		(20,397)
Other comprehensive income (loss), net of tax					(24,321)	(24,321)
Common stock issued	5					5
Compensation payable in common stock and options			26,553			26,553
Common stock repurchased and held in treasury		(319,651)	(90,000)			(409,651)
Common stock issued to directors and held in treasury		(332)				(332)
Exercise of stock options	5		9,676			9,681
Excess tax benefits from employee stock incentive plans			2,835			2,835
Balance at December 31, 2014	$ 1,266	$ (588,378)	$1,022,221	$1,022,695	$ (24,971)	$1,432,833
Net income				223,648		223,648
Dividends			29	(87,881)		(87,852)
Other comprehensive income (loss), net of tax					(10,774)	(10,774)
Common stock issued	6					6
Compensation payable in common stock and options			25,963			25,963
Common stock repurchased and held in treasury		(806,782)	90,000			(716,782)
Common stock issued to directors and held in treasury		(535)	29			(506)
Exercise of stock options	10		19,688			19,698
Excess tax benefits from employee stock incentive plans			15,253			15,253
Balance at December 31, 2015	$ 1,282	$(1,395,695)	$1,173,183	$1,158,462	$ (35,745)	$ 901,487

See Notes to Consolidated Financial Statements.

Table of Contents

MSCI INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
	(in thousands)		
Cash flows from operating activities			
Net income	$ 223,648	$ 284,113	$ 222,557
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of intangible assets	46,910	48,617	58,203
Stock-based compensation expense	28,558	26,585	25,004
Depreciation of property, equipment and leasehold improvements	30,889	25,930	22,302
Amortization of debt origination fees	2,135	7,748	3,348
Deferred taxes	(10,288)	(4,960)	(15,066)
Amortization of discount on long-term debt	—	2,218	1,066
Excess tax benefits from share-based compensation	(15,253)	(2,835)	(1,897)
Gain on disposition of subsidiary, net of costs	—	(84,620)	—
Other non-cash adjustments	(2,067)	1,847	(371)
Changes in assets and liabilities, net of assets acquired and liabilities assumed:			
Accounts receivable	(30,900)	(26,821)	(16,412)
Prepaid income taxes	(1,972)	(14,998)	7,927
Prepaid and other assets	(1,217)	(9,857)	(4,459)
Accounts payable	(298)	2,128	(2,145)
Deferred revenue	8,047	42,263	11,399
Accrued compensation and related benefits	5,087	88	7,057
Other accrued liabilities	17,165	8,428	(260)
Other	5,550	(201)	2,930
Net cash provided by operating activities	305,994	305,673	321,183
Cash flows from investing activities			
Acquisitions, net of cash acquired	(6,500)	(14,921)	(23,268)
Proceeds from sales of investments	6,736	—	—
Proceeds from redemption of short-term investments	—	—	70,900
Dispositions, net of cash provided	—	362,811	—
Capitalized software development costs	(8,500)	(8,216)	(3,285)
Capital expenditures	(40,652)	(42,659)	(40,255)
Proceeds from the sale of property, equipment and leasehold improvements	55	22	29
Net cash (used in) provided by investing activities	(48,861)	297,037	4,121
Cash flows from financing activities:			
Proceeds from borrowing	800,000	800,000	—
Repayment of long–term debt	—	(810,000)	(48,000)
Payment of issuance costs in connection with long–term debt	(10,477)	(14,800)	—
Repurchase of treasury shares	(700,715)	(409,651)	(112,183)
Dividends paid	(87,743)	(20,393)	—
Proceeds from the exercise of stock options	3,631	9,681	11,702
Excess tax benefits from stock-based compensation	15,253	2,835	1,897
Net cash provided by (used in) financing activities	19,949	(442,328)	(146,584)
Effect of exchange rates changes	(8,175)	(10,017)	(3,595)
Net increase in cash and cash equivalents	268,907	150,365	175,125
Cash and cash equivalents, beginning of period	508,799	358,434	183,309
Cash and cash equivalents, end of period	$ 777,706	$ 508,799	$ 358,434
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 42,110	$ 17,233	$ 20,429
Cash paid for income taxes	$ 129,534	$ 120,419	$ 128,167
Supplemental disclosure of non-cash investing activities:			
Property, equipment and leasehold improvements in other accrued liabilities	$ 3,644	$ 6,731	$ 3,396
Supplemental disclosure of non-cash financing activities:			
Cash dividends declared, but not yet paid	$ 84	$ —	$ —

See Notes to Consolidated Financial Statements.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION AND BASIS OF PRESENTATION

Organization

MSCI Inc., together with its wholly-owned subsidiaries (the “Company” or “MSCI”), offers content, applications and services to support the needs of institutional investors throughout their investment processes. The Company’s flagship products are its global equity indexes, custom indexes, factor indexes and ESG indexes; its analytics products, including multi-factor models, pricing models, methodologies for performance attribution, models for statistical analysis, and tools for portfolio optimization, back testing and stress testing; its ESG research and ratings; and its real estate benchmarks, indexes, business intelligence and analytics.

On March 17, 2014, MSCI Inc. entered into a definitive agreement to sell Institutional Shareholder Services Inc. (“ISS”). As a result, the Company reported the operating results of ISS in “Income (loss) from discontinued operations, net of income taxes” in the Consolidated Statements of Income for the years ended December 31, 2015, 2014 and 2013. Unless otherwise indicated, the disclosures accompanying these consolidated financial statements reflect the Company’s continuing operations. The Company completed the sale of ISS on April 30, 2014. See Note 3, “Dispositions and Discontinued Operations,” for further details.

Following the disposition of ISS during the year ended December 31, 2014, MSCI had maintained one reportable segment. During the year ended December 31, 2015, MSCI changed its reportable segments to Index, Analytics and All Other. These three segments reflect certain changes made to the management of the Company’s product lines. This presentation also better aligns the Company’s financial reporting with how its products and services are offered to its clients and offers additional insight into how the Company is being managed. See Note 13, “Segment Information,” for further information about MSCI’s reportable segments.

Basis of Presentation

The consolidated financial statements include the accounts of MSCI Inc. and its wholly-owned subsidiaries. The Company’s policy is to consolidate all entities in which it owns more than 50% of the outstanding voting stock unless it does not control the entity. It is also the Company’s policy to consolidate any variable interest entity for which the Company is the primary beneficiary, of which the Company has none, as required by the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Subtopic 810-10, “*Consolidations.*” For investments in any entities in which the Company owns 20% or less of the outstanding voting stock and significant influence does not exist, such investments are carried at cost.

The Company changed its presentation of operating expenses during the year ended December 31, 2015 in order to provide more transparency into the underlying cost base of the Company, consistent with how it is managed. Prior to the change, operating expenses were grouped and presented as cost of services and selling, general and administrative. Cost of services included costs related to research, data management and production, software engineering and production management functions. Selling, general and administrative consisted of expenses for sales and marketing staff, finance, human resources, legal and compliance, information technology infrastructure and corporate administration personnel. Operating expenses are now grouped and presented in the following activity categories: cost of revenues, selling and marketing, research and development and general and administrative. Costs are assigned to these categories based on the nature of the expense, or, when not directly attributable, an estimate is allocated based on the type of effort involved.

Cost of revenues consists of costs related to the production and servicing of the Company’s products and services and primarily include information technology costs associated with the production and delivery of its products and services, including data center, platform and infrastructure costs; costs to acquire, produce and maintain market data information; costs of research to support, maintain and rebalance existing products; costs of product management teams; costs of client service and consultant teams to support customer needs; as well as other support costs directly attributable to the cost of revenues including certain human resources, finance and legal costs.

Selling and marketing expenses consist of costs associated with acquiring new clients or selling new products or product renewals to existing clients and primarily includes the costs of our sales force and marketing teams as well as costs incurred in other groups associated with acquiring new business, including product management, research, technology and sales operations.

Research and development expenses consist of costs to develop new or enhance existing products and the costs to develop new or improved technology and service platforms for the delivery of our products and services and primarily includes the costs of application development, research, product management, project management and the technology support associated with supporting these efforts.

General and administrative expenses consist of costs primarily related to finance operations, human resources, office of the CEO, legal, corporate technology, corporate development and certain other administrative costs that are not directly attributed, but are instead allocated, to a product or service.

The recasting of previously issued financial information has been made to conform to the current presentation and does not represent a restatement of previously issued financial statements.

Significant Accounting Policies

Basis of Financial Statements and Use of Estimates

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These accounting principles require the Company to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Significant estimates and assumptions made by management include the deferral and recognition of revenue, research and development and software capitalization, the allowance for doubtful accounts, impairment of long-lived assets, accrued compensation, income taxes and other matters that affect the consolidated financial statements and related disclosures. The Company believes that estimates used in the preparation of these consolidated financial statements are reasonable; however, actual results could differ materially from these estimates.

Inter-company balances and transactions are eliminated in consolidation.

Revenue Recognition

In general, the Company applies SEC Staff Accounting Bulletin No. 104 ("SAB 104"), "*Revenue Recognition*," in determining revenue recognition. Accordingly, the Company recognizes revenue when all the following criteria are met:

- The Company has persuasive evidence of a legally binding arrangement,
- Delivery has occurred,
- Client fee is deemed fixed or determinable, and
- Collection is probable.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

When a sales arrangement requires the delivery of more than one product and service, revenue is recognized pursuant to the requirements of ASC Subtopic 605-25, "*Revenue Arrangements with Multiple Deliverables*." Under the provisions of ASC Subtopic 605-25, elements within a multi-deliverable arrangement should be considered separate units of accounting if both of the following criteria are met:

- The delivered items have value to the client on a standalone basis, which means they can be sold separately by any vendor or the client could resell the delivered items on a standalone basis; and
- If the arrangement includes a general right of return relative to the delivered items, delivery or performance of the undelivered items is considered probable and substantially in the control of the vendor.

The Company has signed contracts with substantially all clients that set forth the fees to be paid for its products and services. Further, the Company regularly assesses the receivable balances for each client for collectability. The Company's application service license arrangements generally do not include acceptance provisions, which generally allow a client to test the solution for a defined period of time before committing to the license. If a license agreement includes an acceptance provision, the Company does not recognize subscription revenues until the earlier of the receipt of a written client acceptance or, if not notified by the client that it is cancelling the license agreement, the expiration of the acceptance period.

The Company's subscription agreements for hosted services include provisions that, among other things, allow clients, for no additional fee, to receive updates and modifications that may be made from time to time when and if available, for the term of the agreement, which is typically one year. These arrangements do not provide the client with the right to take possession of the application at any time. For sales arrangements with multiple deliverables, which may include application service subscription and professional services associated with implementation and other services, the Company evaluates each deliverable in these multiple-element arrangements to determine whether it represents a separate unit of accounting and allocates revenue accordingly, based on the Company's best estimated sales price.

In most cases, the Company recognizes revenues from subscription arrangements ratably over the term of the license agreement pursuant to contract terms. The contracts state the terms under which these fees are to be calculated. The fees are recognized as the Company supplies the product and service to the client over the license period and are generally billed in advance, prior to the license start date. When implementation services are included, the Company recognizes revenues allocated to the subscription ratably from the date the application is put into production to the end of the license period. Revenues associated with implementation services are recognized ratably over the useful life of those services from the date the application is put into production. For products and services whose fees are based on estimated assets under management linked to the Company's indexes, or contract values related to futures and options, the Company recognizes revenues based on estimates from independent third-party sources or the most recently reported information from the client. Revenues from subscription agreements for the receipt of periodic benchmark reports, digests, and other publications, which are most often associated with the Company's real estate operating segment, are recognized upon delivery of such reports or data updates.

The Company's software-related arrangements do not require significant modification or customization of any underlying software applications being licensed. Accordingly, the Company recognizes software revenues pursuant to the requirements of ASC Subtopic 985-605, "*Software-Revenue Recognition*." The Company's subscription agreements for software products include provisions that, among other things, would allow clients to receive unspecified, when and if available, software upgrades for no additional fee as well as the right to use the software products with maintenance and technical support for the term of the agreement, which is typically one year. Software agreements may include other consulting and professional services. In accordance with ASC Subtopic 985-605, "*Software Revenue Recognition*," the Company does not have vendor specific objective evidence ("VSOE") for these elements and therefore begins to recognize software related revenue ratably over the term of the license agreement once delivered.

Share-Based Compensation

Certain of the Company's employees have received share-based compensation under certain compensation programs. The Company's compensation expense reflects the fair value method of accounting for share-based payments under ASC Subtopic 718-10, "*Compensation—Stock Compensation.*" ASC Subtopic 718-10 requires measurement of compensation cost for equity-based awards at fair value and recognition of compensation cost over the service period, net of estimated forfeitures.

The fair value of MSCI restricted stock units ("RSUs") is measured using the closing price of MSCI's common stock on the date prior to grant. Restricted stock units subject to performance conditions ("PSUs") are based on performance measures that impact the amount of shares that each recipient will receive upon vesting. The fair value of PSUs is measured using the closing price of MSCI's common stock on the date prior to grant. Restricted stock units that are subject to the achievement of multi-year total shareholder return targets ("MSUs") are performance awards with a market condition. The fair value of MSUs is determined using a Monte Carlo simulation model that creates a normal distribution of future stock prices, which is then used to value the awards based on their individual terms.

The fair value of MSCI standard stock options is determined using the Black-Scholes valuation model and the single grant life method. Under the single grant life method, option awards with graded vesting are valued using a single weighted-average expected option life. The fair value of MSCI stock options that contain stock price contingencies is determined using a Monte Carlo simulation model.

The Company recognizes the expense for an award granted to an employee who is not retirement-eligible utilizing the graded vesting method over the requisite service period. For all awards, the Company bases initial accruals of compensation cost on the estimated number of units for which the requisite service is expected to be rendered and, for PSUs, the performance targets expected to be achieved is also considered. If the estimated number of units or the number of units ultimately delivered changes from previous estimates, the cumulative effect on current and prior periods of a change is recognized in compensation cost in the period of the change. Because the probability of actual shares expected to be earned is reflected in the fair value of MSUs on the grant date, the expense to be recognized for these awards is not adjusted to reflect the actual shares earned.

Based on interpretive guidance related to share-based compensation, the Company's policy is to accrue the estimated cost of share-based awards that are granted to retirement-eligible employees over the course of the prior year in which they were earned rather than expensing the awards on the date of grant. A portion of the awards granted to retirement-eligible employees consist of PSUs. For those PSUs, the Company bases initial accruals of compensation cost on the estimated number of units for which the requisite service is expected to be rendered. If the estimated number of units expected to convert changes from previous estimates based on the performance targets expected to be achieved, the cumulative effect of a change is recognized in compensation cost in the period of the change.

Research and Development

The Company accounts for research and development costs in accordance with several accounting pronouncements, including ASC Subtopic 730-10, "*Research and Development*." ASC Subtopic 730-10 requires that research and development costs generally be expensed as incurred. The majority of the Company's research

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and development costs are incurred in developing, reviewing and enhancing the methodologies and data models offered within its product portfolio by monitoring investment trends and drivers globally, as well as analyzing product-specific needs in areas such as capitalization-weighted, factor and specialized indexes, and instrument valuation, risk modeling, portfolio construction, asset allocation and value-at-risk simulation.

The Company applies the provisions of ASC Subtopic 350-40, "*Internal Use Software*," and accounts for the cost of computer software developed for internal use by capitalizing qualifying costs, which are substantially incurred during the application development stage. The amounts capitalized include external direct costs of services used in developing internal-use software and payroll and payroll-related costs of employees directly associated with the development activities. Additionally, costs incurred relating to upgrades and enhancements to the software are capitalized if it is determined that these upgrades or enhancements provide additional functionality to the software.

For the year ended December 31, 2015, the Company capitalized $8.6 million of costs related to software developed for internal use and reversed $3.4 million of previously capitalized costs associated with the termination of a technology project in the Analytics segment. As a result, $5.2 million was the net amount capitalized in the Consolidated Statement of Financial Condition for the year ended December 31, 2015.

For the year ended December 31, 2014, the Company capitalized $8.3 million of costs related to software developed for internal use and reversed $1.0 million of previously capitalized costs associated with the termination of a technology project in the Analytics segment. As a result, $7.3 million was the net amount capitalized in the Consolidated Statement of Financial Condition for the year ended December 31, 2014.

Capitalized software development costs are amortized on a straight-line basis over the estimated useful life of the related product, which is typically three to five years, beginning with the date the software is placed into service.

Costs incurred in the preliminary and post-implementation stages of our products are expensed as incurred.

Income Taxes

Income tax expense is provided for using the asset and liability method, under which deferred tax assets and deferred tax liabilities are determined based on the temporary differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates.

The Company regularly evaluates the likelihood of additional assessments in each of the taxing jurisdictions in which it is required to file income tax returns. The Company has recorded additional tax expense related to open tax years, which the Company's management believes is adequate in relation to the potential for assessments. These amounts have been recorded in "Other non-current liabilities" on the Consolidated Statement of Financial Condition. The Company's management believes the resolution of tax matters will not have a material effect on the Company's consolidated financial condition. However, to the extent the Company is required to pay amounts in excess of its reserves, a resolution could have a material impact on its Consolidated Statement of Income for a particular future period. In addition, an unfavorable tax settlement could require use of cash and result in an increase in the effective tax rate in the period in which such resolution occurs.

As of December 31, 2015, the Company elected to change its policy prospectively regarding the classification of deferred tax assets and liabilities and related valuation allowance on the Company's Consolidated Statements of Financial Condition. To comply with the amendments in ASU 2015-17 (see Note 2, "Recent Accounting Standards Updates" for further information), the Company will classify all deferred tax assets and liabilities as noncurrent. Prior periods were not retrospectively adjusted for the change in accounting principle.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred Revenue

Deferred revenues represent amounts billed to customers for products and services in advance of delivery. The Company's clients generally pay subscription fees annually or quarterly in advance. Deferred revenue is generally amortized ratably over the service period as revenue recognition criteria are met. Where the service period has not begun and the client has not paid or the contract has not been renewed, deferred revenues and accounts receivable are not recognized.

Goodwill

Goodwill is recorded as part of the Company's acquisitions of businesses when the purchase price exceeds the fair value of the net tangible and separately identifiable intangible assets acquired. The Company's goodwill is not amortized, but rather is subject to an impairment test each year, or more often if conditions indicate impairment may have occurred, pursuant to ASC Topic 350, "*Intangibles—Goodwill and Other*."

The Company tests goodwill for impairment on an annual basis on July 1 and on an interim basis when certain events and circumstances exist. The testing for impairment is performed at the reporting unit level. Goodwill impairment is determined by comparing the estimated fair value of a reporting unit with its respective book value. If the estimated fair value exceeds the book value, goodwill at the reporting unit level is not deemed to be impaired. If the estimated fair value is below book value, however, further analysis is required to determine the amount of impairment. Additionally, if the book value of a reporting unit is zero or a negative value and it is determined that it is more likely than not that the goodwill is impaired, further analysis is required. As the estimated fair value of the Company's reporting units exceeded their respective book value on the testing dates, no impairment of goodwill was recorded during the years ended December 31, 2015, 2014 and 2013.

The Company changed its reportable segments during the year ended December 31, 2015. Simultaneously, segment reporting and goodwill reporting units were updated in connection with this change. The Company reallocated its goodwill to its reporting units using a relative fair value allocation approach in accordance with applicable accounting guidance. The Company's reporting units are the same as its operating segments. See Note 13, "Segment Information" for further information about MSCI's operating segments.

Intangible Assets

The Company amortizes definite-lived intangible assets over their estimated useful lives. Definite-lived intangible assets are tested for impairment when impairment indicators are present, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. No impairment of intangible assets has been identified during any of the periods presented. The Company has no indefinite-lived intangibles. The intangible assets have remaining useful lives ranging from one to 20 years.

Foreign Currency Translation

Assets and liabilities of operations having non-U.S. dollar functional currencies are translated at year-end exchange rates, and income statement accounts are translated at weighted average exchange rates for the year. Gains or losses resulting from translating foreign currency financial statements, net of related tax effects, are reflected in accumulated other comprehensive loss, a separate component of shareholders' equity. Gains or losses resulting from foreign currency transactions incurred in currencies other than the local functional currency are included in non-operating "Other expense (income)" on the Consolidated Statement of Income.

Derivative Instruments

The Company applies ASC Subtopic 815-10, "*Derivatives and Hedging*," which establishes accounting and reporting standards for derivative instruments and hedging activities. The Company may use interest rate swaps and forward contracts on foreign currency to manage risks generally associated with interest rate and foreign exchange rate fluctuations, respectively. The Company's derivative financial instruments are used as risk management tools and not for speculative or trading purposes.

For derivative instruments that are designated and qualify as hedging instruments for accounting purposes, the Company documents and links the relationships between the hedging instruments and hedged items. The Company also assesses and documents at the hedge's inception whether the derivatives used in hedging transactions were effective in offsetting changes in fair values associated with the hedged items. ASC Subtopic 815-10 provides that, for derivative instruments that qualify for hedge accounting being used to hedge cash flows, changes in the fair value are recognized in accumulated other comprehensive income (loss), a separate component of shareholders' equity, until the hedged item is recognized in earnings. In addition, the ineffective portion of a derivative's change in fair value is immediately recognized in earnings.

The Company manages foreign currency exchange rate risk through the use of derivative financial instruments comprised principally of forward contracts on foreign currency which are not designated as hedging instruments for accounting purposes. The objective of the derivative instruments is to minimize the income statement impact associated with assets and liabilities that are denominated in certain foreign currencies. Derivative instruments that do not qualify for hedge accounting are carried at fair value on the Consolidated Statement of Financial Condition with gains and losses recorded in the Consolidated Statement of Income in the period in which they are realized.

Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation of furniture and fixtures and computer and communications equipment are amortized using the straight-line method over the estimated useful life of the asset. Estimates of useful lives are as follows: furniture & fixtures – seven years; and, computer and related equipment – two to five years. Leasehold improvements are amortized on a straight-line basis over one to 21 years, which represents the lesser of the estimated useful life of the asset or, where applicable, the remaining term of the lease.

Treasury Stock

The Company holds repurchased shares of common stock as treasury stock. The Company accounts for treasury stock under the cost method and includes treasury stock as a component of shareholders' equity.

In accordance with ASC Subtopic 505-10, *"Equity,"* the Company accounts for the capped accelerated share repurchase ("ASR") agreements into which it enters as two separate transactions: (a) as shares of common stock acquired in a treasury stock transaction recorded on the acquisition date of the shares and (b) as a forward contract indexed to the Company's own common stock. As such, the Company accounts for the shares that it receives under capped ASR agreements during the period as a repurchase of its common stock for the purpose of calculating earnings per common share. The Company has determined that the forward contracts indexed to the Company's common stock meet all the applicable criteria for equity classification in accordance with ASC Subtopic 815-10 and, therefore, the capped ASR agreements are not accounted for as derivative instruments.

Allowance for Doubtful Accounts

The Company primarily licenses its products and services to institutional investors mainly in the United States, Europe and Asia (primarily Hong Kong and Japan). The Company periodically reviews receivable balances and maintains an allowance on customer accounts where estimated losses may result from the inability of its customers to make required payments. The Company does not require collateral.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

An allowance for doubtful accounts is recorded when it is probable and estimable that a receivable will not be collected. Changes in the allowance for doubtful accounts from December 31, 2012 to December 31, 2015 were as follows:

	Amount (in thousands)
Balance as of December 31, 2012	$ 964
Addition to provision	876
Amounts written off, net of recoveries	(560)
Balance as of December 31, 2013	$ 1,280
Addition to provision	452
Amounts written off, net of recoveries	(875)
Balance as of December 31, 2014	$ 857
Addition to provision	940
Amounts written off, net of recoveries	(680)
Balance as of December 31, 2015	$ 1,117

Accrued Compensation

The Company makes significant estimates in determining its accrued non-stock based compensation and benefits expenses. A significant portion of the Company's employee incentive compensation programs are discretionary. Each year end, the Company determines the amount of discretionary cash bonus expense. The Company also reviews compensation and benefits expenses throughout the year to determine how overall performance compares to management's expectations. These and other factors, including historical performance, are taken into account in accruing discretionary cash compensation estimates quarterly.

Concentrations

For the years ended December 31, 2015 and 2014, BlackRock, Inc. accounted for 10.3% and 10.6%, respectively, of the Company's consolidated operating revenues. For the year ended December 31, 2013, no single customer accounted for 10.0% or more of the Company's consolidated operating revenues. For the years ended December 31, 2015, 2014 and 2013, BlackRock, Inc. accounted for 19.2%, 20.1% and 18.6%, respectively, of the Index segment operating revenues. No single customer accounted for 10.0% or more of revenues within the Analytics and All Other segments for the years ended December 31, 2015, 2014 and 2013.

2. RECENT ACCOUNTING STANDARDS UPDATES

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, *"Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity,"* or ASU 2014-08. The amendments in this update change the requirements for reporting discontinued operations under ASC Subtopic 205-20, *"Presentation of Financial Statements—Discontinued Operations*," such as limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The amendments in this update also require expanded disclosures in order to provide users of financial statements with more information about the assets, liabilities, revenues and expenses of discontinued operations. Further, the amendments require an entity to disclose the pretax profit or loss of an individually significant component of an entity that does not qualify for discontinued operations reporting. This new guidance is to be applied prospectively for annual periods beginning on or after December 15, 2014, and interim periods within those years, with early adoption permitted. The adoption of ASU 2014-08 did not have a material effect on its consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *"Revenue from Contracts with Customers,"* or ASU 2014-09. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the new guidance, an entity will (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the contract's performance obligations; and (5) recognize revenue when, or as, the entity satisfies a performance obligation. Companies have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. In August 2015, the FASB issued Accounting Standards Update No. 2015-14, *"Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,"* or ASU 2015-14. The amendments in ASU 2015-14 defer the effective date of the new revenue standard by one year by changing the effective date to be for annual reporting periods (including interim periods within those periods) beginning after December 15, 2017 from December 15, 2016, with early adoption at the prior date permitted. The Company is continuing to evaluate the potential impact that the update will have on its consolidated financial statements.

In January 2015, the FASB issued Accounting Standards Update No. 2015-01, "*Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*," or ASU 2015-01. ASU 2015-01 eliminates the concept of an extraordinary item from GAAP. As a result, a company will no longer be required to segregate extraordinary items from the results of ordinary operations, to separately present an extraordinary item on its income statement, net of tax, after income from continuing operations or to disclose income taxes and earnings-per-share data applicable to an extraordinary item. A reporting entity may apply the amendments prospectively or retrospectively to all prior periods presented in the financial statements. However, ASU 2015-01 will still retain the presentation and disclosure guidance for items that are unusual in nature and occur infrequently. The new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2015, with early adoption permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The adoption of ASU 2015-01 is not expected to have a material effect on the Company's consolidated financial statements.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *"Interest—Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs,"* or ASU 2015-03. The objective of ASU 2015-03 is to simplify the presentation of debt issuance costs by requiring that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were recognized and presented as a deferred charge (that is, an asset). The new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2015, with early adoption permitted for financial statements that have not been previously issued. The Company early adopted ASU 2015-03 retrospectively during the year ended December 31, 2015. As a result of the retrospective adoption, the Company reclassified unamortized deferred financing fees of $1.2 million from "Prepaid and other assets" and $10.4 million from "Other non-current assets" as of December 31, 2014 to be a reduction in "Long-term debt" on the Consolidated Statement of Financial Condition. Adoption of this standard only resulted in the reclassification of items on the Consolidated Statement of Financial Condition and did not impact results of operations, retained earnings or cash flows in the current or previous interim and annual reporting periods.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In April 2015, the FASB issued Accounting Standards Update No. 2015-05, *"Intangibles—Goodwill and Other—Internal-Use Software,"* or ASU 2015-05. The amendments in ASU 2015-05 provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change GAAP for a customer's accounting for service contracts. The new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2015, with early adoption permitted. The Company is evaluating the potential impact of the adoption of ASU 2015-05, but does not expect the adoption to have a material effect on its consolidated financial statements.

In August 2015, the FASB issued Accounting Standards Update No. 2015-15, *"Interest—Imputation of Interest: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements,"* or ASU 2015-15. ASU 2015-15 adds clarity from the SEC's perspective on the presentation and subsequent measurement of debt issuance costs associated with line-of-credit arrangements. The Company's adoption of ASU 2015-15 did not have a material impact on its consolidated financial statements.

In September 2015, the FASB issued Accounting Standards Update No. 2015-16, *"Business Combinations,"* or ASU 2015-16. ASU 2015-16 simplifies the accounting for adjustments made to provisional amounts recognized in a business combination by eliminating the requirement to account for adjustments retrospectively. The amendments in ASU 2015-16 require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. The new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2015, with early adoption permitted. The Company is evaluating the potential impact of the adoption of ASU 2015-16, but does not expect the adoption to have a material effect on its consolidated financial statements.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, *"Balance Sheet Classification of Deferred Taxes,"* or ASU 2015-17. ASU 2015-17 simplifies the presentation of deferred income taxes by classifying current and noncurrent deferred tax assets and liabilities as noncurrent on the Consolidated Statement of Financial Condition. The new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2016, with early adoption permitted. The Company early adopted ASU 2015-17 prospectively for the year ended December 31, 2015. Prior periods have not been changed to reflect these change in classifications, Adoption of this standard only resulted in the reclassification of items on the Consolidated Statement of Financial Condition and did not impact results of operations, retained earnings or cash flows in the current or previous interim and annual reporting periods.

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, "*Financial Instruments—Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)*,"or ASU 2016-01. Changes primarily impact the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2017. The adoption of ASU 2016-01 is not expected to have a material effect on the Company's consolidated financial statements.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. DISPOSITIONS AND DISCONTINUED OPERATIONS

Disposition of CFRA

On March 31, 2013, MSCI completed the sale of its CFRA product line. The value of the disposed assets and liabilities and the resulting gain on disposal were not material to the Company.

Disposition of ISS

On March 17, 2014, MSCI entered into a definitive agreement to sell ISS. The results of operations from ISS and the CFRA product line are reflected in “Income (loss) from discontinued operations, net of income taxes” in the Consolidated Statements of Income.

The sale of ISS was completed on April 30, 2014 for $367.4 million. The value of the assets and liabilities of ISS that were disposed, directly attributable transaction costs and the resulting gain on disposal that has been reported in “Income (loss) from discontinued operations, net of income taxes” for the year ended December 31, 2014 are as follows:

	Amount (in thousands)
Cash proceeds	$ 367,355
Less: Initial working capital adjustments	(311)
Total proceeds	367,044
Less assets sold and liabilities relieved resulting from disposal:	
Cash and cash equivalents	(4,544)
Accounts receivable	(15,765)
Deferred taxes (current)	(3,174)
Prepaid taxes	(617)
Prepaid and other assets	(4,500)
Property, equipment and leasehold improvements (net of accumulated depreciation and amortization of $4,213)	(8,544)
Goodwill	(254,233)
Intangible assets (net of accumulated amortization of $50,283)	(121,269)
Other non-current assets	(1,645)
Accounts payable	574
Accrued compensation and related benefits	6,783
Other accrued liabilities	4,034
Deferred revenue	51,767
Deferred taxes (non-current)	59,129
Other non-current liabilities	5,576
Other comprehensive income including currency translation adjustments and pension and other post-retirement adjustments	4,004
Net assets sold	(282,424)
Less: Transaction costs	(5,946)
Gain on sale of ISS	$ 78,674

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income (loss) from discontinued operations. Amounts associated with discontinued operations reflected in the Consolidated Statements of Income for the years ended December 31, 2015, 2014 and 2013 are as follows:

	Years Ended December 31, 2015	December 31, 2014	December 31, 2013
		(in thousands)	
Revenue from discontinued operations	$ —	$ 43,122	$ 122,303
Income (loss) from discontinued operations before provision (benefit) for income taxes	$ —	$ 86,230	$ 32,793
Provision for income taxes	6,390	1,059	10,146
Income (loss) from discontinued operations, net of income taxes	$ (6,390)	$ 85,171	$ 22,647

The year ended December 31, 2015 reflects the impact of out-of-period income tax charges associated with the tax obligations triggered upon the sale of ISS.

4. RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

As required by ASC Subtopic 220-10, "*Comprehensive Income—Overall*," the following table presents the amounts reclassified from accumulated other comprehensive income (loss) by the respective line item in the Consolidated Statement of Income:

Reclassifications Out of Accumulated Other Comprehensive Income (Loss)(1)

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss) Years Ended December 31, 2015	December 31, 2014	December 31, 2013	Affected Line Item in the Unaudited Condensed Consolidated Statements of Income
		(in thousands)		
Unrealized losses on cash flow hedges				
Interest rate contracts	$ —	$ —	$ (1,364)	Interest expense
	—	—	524	Income tax benefit
	$ —	$ —	$ (840)	Net of tax
Unrealized gains on available-for-sale securities				
Short-term investments	$ —	$ —	$ 5	
	—	—	(2)	Provision for income taxes
	$ —	$ —	$ 3	Net of tax
Defined benefit pension plans				
Amount recognized as a component of net periodic benefit expense for curtailments and settlements	$ (563)	$ (104)	$ (32)(2)	
	153	(15)	6(3)	Provision for income taxes
	$ (410)	$ (119	$ (26)(4)	Net of tax
Foreign currency translation adjustment	$ —	$ 4,184	$ — (5)	
Total reclassifications for the period, net of tax	$ (410)	$ 4,065	$ (863)	

(1) Amounts in parentheses indicate expenses or losses moved to the Consolidated Statements of Income.

(2) Includes $(186,000) for the year ended December 31, 2014 that was reclassified to "Income (loss) from discontinued operations, net of taxes" as part of the gain on the disposition of ISS.

(3) Includes $6,000 for the year ended December 31, 2014 that was reclassified to “Income (loss) from discontinued operations, net of taxes” as part of the gain on the disposition of ISS.

(4) Includes $(180,000) for the year ended December 31, 2014 that was reclassified to “Income (loss) from discontinued operations, net of taxes” as part of the gain on the disposition of ISS.

(5) This accumulated other comprehensive income component for the year ended December 31, 2014 was reclassified to “Income (loss) from discontinued operations, net of taxes” as part of the gain on the disposition of ISS.

5. EARNINGS PER COMMON SHARE

Basic earnings per share (“EPS”) is computed by dividing income available to MSCI common shareholders by the weighted average number of common shares outstanding during the period. Common shares outstanding include common stock and vested restricted stock unit awards where recipients have satisfied either the explicit vesting terms or retirement-eligible requirements. Diluted EPS reflects the assumed conversion of all dilutive securities. There were 3,778, 78,260 and 26,407, anti-dilutive securities excluded from the calculation of diluted EPS for the years ended December 31, 2015, 2014 and 2013, respectively, because of their anti-dilutive effect.

The Company computes EPS using the two-class method and determines whether instruments granted in share-based payment transactions are participating securities. The following table presents the computation of basic and diluted EPS:

	Years Ended		
(in thousands, except per share data)	**December 31, 2015**	**December 31 2014**	**December 31 2013**
Income from continuing operations, net of income taxes	$ 230,038	$ 198,942	$ 199,910
Income (loss) from discontinued operations, net of income taxes	(6,390)	85,171	22,647
Net income	$ 223,648	$ 284,113	$ 222,557
Less: Allocations of earnings to unvested restricted stock units (1)	—	(368)	(633)
Earnings available to MSCI common shareholders	$ 223,648	$ 283,745	$ 221,924
Basic weighted average common shares outstanding	109,124	115,737	120,100
Effect of dilutive securities:			
Stock options and restricted stock units	802	969	974
Diluted weighted average common shares outstanding	109,926	116,706	121,074
Earnings per basic common share from continuing operations	$ 2.11	$ 1.72	$ 1.66
Earnings per basic common share from discontinued operations	(0.06)	0.73	0.19
Earnings per basic common share	$ 2.05	$ 2.45	$ 1.85
Earnings per diluted common share from continuing operations	$ 2.09	$ 1.70	$ 1.64
Earnings per diluted common share from discontinued operations	(0.06)	0.73	0.19
Earnings per diluted common share	$ 2.03	$ 2.43	$ 1.83

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Restricted stock units granted to employees prior to 2013 and restricted stock units granted to independent directors of the Company prior to April 30, 2015 had a right to participate in all of the earnings of the Company in the computation of basic EPS and, therefore, these restricted stock units were not included as incremental shares in the diluted EPS computation.

6. COMMITMENTS AND CONTINGENCIES

Legal matters. From time to time, the Company is party to various litigation matters incidental to the conduct of its business. The Company is not presently party to any legal proceedings the resolution of which the Company believes would have a material effect on its business, operating results, financial condition or cash flows.

Leases. The Company leases facilities under non-cancelable operating lease agreements. The terms of certain lease agreements provide for rental payments on a graduated basis. The Company recognizes rent expense on the straight-line basis over the lease period and has accrued for rent expense incurred but not paid. Rent expense for the years ended December 31, 2015, 2014 and 2013 was $26.5 million, $27.0 million and $24.2 million, respectively.

Future minimum commitments for the Company's operating leases in place as of December 31, 2015 are as follows:

Years Ending December 31,	Amount (in thousands)
2016	$ 28,170
2017	26,416
2018	25,064
2019	20,369
2020	17,863
Thereafter	148,074
Total	$ 265,956

Long-term debt. On June 1, 2010, the Company entered into a senior secured credit facility (the "2010 Credit Facility"). On March 14, 2011, the Company completed the repricing of the 2010 Credit Facility pursuant to Amendment No. 2 to the 2010 Credit Facility. On May 4, 2012, the Company amended and restated its 2010 Credit Facility (the credit agreement as so amended and restated, the "Amended and Restated Credit Facility"). The Amended and Restated Credit Facility provided for the incurrence of a new senior secured five-year Term Loan A Facility in an aggregate amount of $880.0 million (the "2012 Term Loan") and a $100.0 million senior secured revolving facility (the "2012 Revolving Credit Facility"). The Amended and Restated Credit Facility also amended certain negative covenants, including financial covenants.

On December 12, 2013, the Company entered into an agreement that extended the maturity of the Amended and Restated Credit Facility from May 2017 to December 2018 (the "2013 Amended and Restated Credit Facility"). The Company also amended the amortization schedule of required debt payments under the 2012 Term Loan.

On November 20, 2014, the Company completed its first private offering of $800.0 million aggregate principal amount of 5.25% senior unsecured notes due 2024 (the "2024 Senior Notes") and also entered into a

$200.0 million senior unsecured revolving credit agreement (the “2014 Revolving Credit Agreement”) by and among the Company, as borrower, certain of its subsidiaries, as guarantors (the “subsidiary guarantors”), the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent. The Company used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to repay in full its then outstanding term loan indebtedness of $794.8 million, which bore interest at LIBOR plus a margin of 2.25%.

On August 13, 2015, the Company completed its second private offering of $800.0 million aggregate principal amount of 5.75% senior unsecured notes due 2025 (the “2025 Senior Notes”). The Company intends to use the $789.5 million of net proceeds from the offering of the 2025 Senior Notes for general corporate purposes, including, without limitation, repurchases of its common stock.

The 2024 Senior Notes are scheduled to mature and be paid in full on November 20, 2024. At any time prior to November 15, 2019, the Company may redeem all or part of the 2024 Senior Notes upon not less than 30 nor more than 60 days’ prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, the Company may redeem all or part of the 2024 Senior Notes, together with accrued and unpaid interest, on or after November 15, 2019, at redemption prices set forth in the indenture governing the 2024 Senior Notes. At any time prior to November 15, 2017, the Company may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2024 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.25% of the principal amount.

The 2014 Revolving Credit Agreement has an initial term of five years that may be extended, at the Company’s request, for two additional one year terms.

The 2025 Senior Notes are scheduled to mature and be paid in full on August 15, 2025. At any time prior to August 15, 2020, the Company may redeem all or part of the 2025 Senior Notes upon not less than 30 nor more than 60 days’ prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a make-whole premium as of the date of redemption, plus (iii) accrued and unpaid interest and additional interest, if any, thereon, to the date of redemption. In addition, the Company may redeem all or part of the 2025 Senior Notes, together with accrued and unpaid interest, on or after August 15, 2020, at redemption prices set forth in the indenture governing the 2025 Senior Notes. At any time prior to August 15, 2018, the Company may use the proceeds of certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2025 Senior Notes, including any permitted additional notes, at a redemption price equal to 105.75% of the principal amount.

Interest payments attributable to the 2024 Senior Notes are due on May 15 and November 15 of each year. The first interest payment was made on May 15, 2015. The Company paid $41.4 million of interest attributable to the 2024 Senior Notes during the year ended December 31, 2015. Interest payments attributable to the 2025 Senior Notes are due on February 15 and August 15 of each year. The first interest payment was made on February 16, 2016.

Long-term debt at December 31, 2015 was $1,579.4 million, net of $20.6 million in deferred financing fees. Long-term debt at December 31, 2014 was $788.4 million, net of $11.6 million in deferred financing fees. See Note 2, “Recent Accounting Standards Updates,” for further information on the presentation of debt issuance costs in the Consolidated Statements of Financial Condition.

In connection with the closing of the 2024 Senior Notes and 2025 Senior Notes offerings and entering into the 2014 Revolving Credit Agreement, the Company paid certain fees which, together with the existing fees related to prior credit facilities, are being amortized over the life of the 2024 Senior Notes, 2025 Senior Notes and the 2014 Revolving Credit Agreement. At December 31, 2015, $23.0 million of the deferred financing fees remain unamortized, $0.6 million of which is included in “Prepaid and other assets,” $1.8 million of which is included in “Other non-current assets” and $20.6 million of which is grouped and presented as part of “Long-term debt” on the Consolidated Statements of Financial Condition.

During the years ended December 31, 2015, 2014 and 2013, the Company amortized $2.1 million, $7.7 million, and $3.3 million of deferred financing fees in interest expense, respectively. There was no unamortized debt discount outstanding as of December 31, 2015 and 2014. Approximately $2.2 million and $1.1 million of debt discount was amortized in interest expense during the years ended December 31, 2014 and 2013, respectively.

At December 31, 2015 and 2014, the fair market value of the Company’s debt obligations were $1,638.0 million and $831.0 million, respectively. The fair market value is determined in accordance with accounting standards related to the determination of fair value and represents Level 2 valuations, which are based on one or more quoted prices in markets that are not considered to be active or for which all significant inputs are observable, either directly or indirectly. The Company utilizes the market approach and obtains security pricing from a vendor who uses broker quotes and third-party pricing services to determine fair values.

Derivatives and Hedging Activities. The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company had previously entered into derivative financial instruments to manage exposures that arose from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates, and may do so again in the future. The Company’s derivative financial instruments were used to manage differences in the amount, timing and duration of the Company’s known or expected cash payments principally related to the Company’s borrowings.

Certain of the Company’s foreign operations expose the Company to fluctuations of foreign exchange rates. These fluctuations may impact the value of the Company’s cash receipts and payments in terms of the Company’s functional currency, the U.S. dollar. The Company enters into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of its functional currency.

Cash Flow Hedges of Interest Rate Risk. As a result of the repayment of the Company’s then-outstanding term loans on May 4, 2012 and March 14, 2011, the Company discontinued prospective hedge accounting on its then-existing interest rate swaps as they no longer met hedge accounting requirements. The Company has not entered into new interest rate swaps to hedge its debt. The Company continued to report the net loss related to the discontinued cash flow hedges in accumulated other comprehensive income (loss) and reclassified this amount into earnings through the contractual term of the swap agreements which ended in August 2013.

Non-designated Hedges of Foreign Exchange Risk. Derivatives not designated as hedges are not speculative and are used to manage the Company’s economic exposure to foreign exchange rate movements but do not meet the strict hedge accounting requirements. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. As of December 31, 2015, the Company had outstanding foreign currency forwards with a notional amount of $25.0 million that were not designated as hedges in qualifying hedging relationships.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the fair values of the Company’s derivative instruments and the location in which they are presented on the Company’s Consolidated Statements of Financial Condition:

(in thousands)	Consolidated Statements of Financial Condition Location	As of December 31, 2015	As of December 31, 2014
Derivatives designated as hedging instruments:			
Asset derivatives:			
Foreign exchange contracts	Prepaid and other assets	$ 640	$ —
Liability derivatives:			
Foreign exchange contracts	Other accrued liabilities	$ (2)	$ (243)

The following tables present the effect of the Company’s financial derivatives and the location in which they are presented on the Company’s Consolidated Statements of Financial Condition and Consolidated Statements of Income:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in Accumulated Other Comprehensive Income (Loss) on Derivatives (Effective Portion) for the Years Ended December 31,			Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income (Effective Portion) for the Years Ended December 31,			Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing) for the Years Ended December 31,		
(in thousands)	2015	2014	2013	(Effective Portion)	2015	2014	2013		2015	2014	2013
Interest rate swaps	$ —	$ —	$ —	Interest expense	$—	$—	$ (1,364)	Interest expense	$—	$—	$—

Derivatives Not Designated as Hedging Instruments (in thousands)	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives for the Years Ended December 31, 2015	December 31, 2014	December 31, 2013
Foreign exchange contracts	Other expense (income)	$ 366	$ (834)	$ (139)

Gain on sale of investment

During the year ended December 31, 2015, MSCI sold an investment accounted for under the cost method and recognized a $6.3 million gain which is included within the “Other expense (income), net” in the Consolidated Statements of Income.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at December 31, 2015 and 2014 consisted of the following:

Type	Estimated Useful Lives	As of December 31, 2015	As of December 31, 2014
		(in thousands)	
Computer & related equipment	2 to 5 years	$ 143,499	$ 118,537
Furniture & fixtures	7 years	9,870	9,569
Leasehold improvements	1 to 21 years	47,579	49,756
Work-in-process	—	12,658	9,020
Subtotal		213,606	186,882
Accumulated depreciation and amortization		(114,680)	(92,808)
Property, equipment and leasehold improvements, net		$ 98,926	$ 94,074

Depreciation and amortization expense of property, equipment and leasehold improvements was $30.9 million, $25.7 million and $20.4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

8. GOODWILL AND INTANGIBLE ASSETS

Goodwill.

The change to the Company's goodwill was as follows:

(in thousands)	Goodwill
Goodwill at December 31, 2013	$1,813,164
Changes to goodwill (1)	(244,299)
Foreign exchange translation adjustment	(3,961)
Goodwill at December 31, 2014	$1,564,904
Changes to goodwill (2)	4,202
Foreign exchange translation adjustment	(3,485)
Goodwill at December 31, 2015 (3)	$1,565,621

(1) Changes to goodwill reflect the disposition and addition of goodwill associated with the sale of ISS, which removed $254.2 million, and the acquisition of GMI Ratings, which contributed $9.9 million. See Note 3, "Dispositions and Discontinued Operations," and Note 12, "Acquisitions," for additional information.

(2) Changes to goodwill reflect the addition of $4.2 million of goodwill associated with the acquisition of Insignis. See Note 12, "Acquisitions," for additional information.

(3) At December 31, 2015, the goodwill assigned to the Index, Analytics and All Other reportable segments was $1,210.4 million, $302.5 million and $52.7 million, respectively.

Intangible Assets.

Amortization expense related to intangible assets for the years ended December 31, 2015, 2014 and 2013, was $46.9 million, $45.9 million and $44.8 million, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The gross carrying and accumulated amortization amounts related to the Company’s identifiable intangible assets were as follows:

(in thousands)	Estimated Useful Lives	As of December 31, 2015	As of December 31, 2014(1)
Gross intangible assets:			
Customer relationships	5 to 21 years	$ 361,746	$ 360,835
Trademarks/trade names	5 to 21.5 years	223,382	223,382
Technology/software	3 to 8.5 years	199,889	193,681
Proprietary data	13 years	28,627	28,627
Covenant not to compete	2 years	1,225	900
Subtotal		814,869	807,425
Foreign exchange translation adjustment		(4,867)	(1,588)
Total gross intangible assets		$ 810,002	$ 805,837
Accumulated amortization:			
Customer relationships		$ (143,325)	$ (119,058)
Trademarks/trade names		(93,476)	(81,545)
Technology/software		(175,209)	(167,083)
Proprietary data		(6,698)	(4,589)
Covenant not to compete		(665)	(187)
Subtotal		(419,373)	(372,462)
Foreign exchange translation adjustment		861	253
Total accumulated amortization		$ (418,512)	$ (372,209)
Net intangible assets:			
Customer relationships		$ 218,421	$ 241,777
Trademarks/trade names		129,906	141,837
Technology/software		24,680	26,598
Proprietary data		21,929	24,038
Covenant not to compete		560	713
Subtotal		395,496	434,963
Foreign exchange translation adjustment		(4,006)	(1,335)
Total net intangible assets		$ 391,490	$ 433,628

(1) Intangible assets and the associated accumulated amortization as of December 31, 2014 reflect the disposition and addition of intangible assets associated with the sale of ISS and acquisition of GMI Ratings, respectively. See Note 3, “Dispositions and Discontinued Operations,” and Note 12, “Acquisitions,” for additional information.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Estimated amortization expense for succeeding years is presented below:

For the Years Ending December 31,	Amortization Expense (in thousands)
2016	$ 47,965
2017	43,097
2018	39,863
2019	37,853
2020	36,106
Thereafter	186,606
Total	$ 391,490

9. EMPLOYEE BENEFITS

The Company sponsors a 401(k) plan for eligible U.S. employees and defined contribution and defined benefit pension plans that cover substantially all of its non-U.S. employees. For the years ended December 31, 2015, 2014 and 2013, costs relating to 401(k), pension and post-retirement benefit expenses were $23.1 million, $22.2 million and $18.2 million, respectively. Amounts included in cost of revenues for the years ended December 31, 2015, 2014 and 2013 were $10.7 million, $9.9 million and $8.4 million, respectively. Amounts included in selling and marketing for the years ended December 31, 2015, 2014 and 2013 were $6.8 million, $7.2 million and $5.6 million, respectively. Amounts included in research and development for the years ended December 31, 2015, 2014 and 2013 were $4.0 million, $3.7 million and $3.0 million, respectively. Amounts included in general and administrative for the years ended December 31, 2015, 2014 and 2013 were $1.6 million, $1.3 million and $1.2 million, respectively.

401(k) and Other Defined Contribution Plans. Eligible employees may participate in the MSCI 401(k) plan (or any other regional defined contribution plan sponsored by MSCI) immediately upon hire. Eligible employees receive 401(k) and other defined contribution plan matching contributions, which are subject to vesting and certain other limitations. The Company's expenses associated with the 401(k) plan and other defined contribution plans for the years ended December 31, 2015, 2014 and 2013 were $18.4 million, $19.3 million and $15.7 million, respectively.

Net Periodic Benefit Expense. Net periodic benefit expense incurred by the Company related to defined benefit pension plans was $4.7 million, $2.8 million and $2.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

The Company uses a measurement date of December 31 to calculate obligations under its pension and postretirement plans. As of December 31, 2015 and 2014, the Company carried a $17.1 million and $16.7 million, respectively, net liability in other non-current liabilities on its Consolidated Statement of Financial Condition related to its future pension obligations. The fair value of the defined benefit plan assets were $16.4 million and $14.3 million at December 31, 2015 and 2014, respectively.

10. SHAREHOLDERS' EQUITY

The following note reflects the share repurchases and related activity as well as share-based compensation activity recognized by the Company, including the amounts recognized in both continuing operations and discontinued operations for all periods referenced.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Return of capital. On December 13, 2012, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of MSCI's common stock beginning immediately and continuing through December 31, 2014 (the "2012 Repurchase Program").

Prior to 2014, the Company repurchased an aggregate of $200.0 million worth of shares through multiple accelerated share repurchase ("ASR") agreements under the 2012 Repurchase Program. On February 6, 2014, MSCI utilized the remaining $100.0 million repurchase authorization provided by the 2012 Repurchase Program.

On February 4, 2014, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of MSCI's common stock, which was increased to $850.0 million on September 17, 2014 (the "2014 Repurchase Program"). On October 14, 2015, the Company exhausted the $850.0 million share repurchase authorization under the 2014 Repurchase Program.

On October 28, 2015, the Board of Directors approved a new stock repurchase program authorizing the purchase of up to $1.0 billion worth of shares of MSCI's common stock (the "2015 Repurchase Program"). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

On September 18, 2014, as part of the 2014 Repurchase Program, the Company entered into an ASR agreement to initiate share repurchases aggregating $300.0 million (the "September 2014 ASR Agreement"). As a result of the September 2014 ASR Agreement, the Company received approximately 4.5 million shares of MSCI's common stock on September 19, 2014 and approximately 1.2 million shares of MSCI's common stock on May 21, 2015 for a combined average price of $52.79 per share.

On June 2, 2015, the Company began purchasing shares of its common stock on the open market in accordance with SEC Rule 10b5-1. Through December 31, 2015, the Company paid $670.8 million to receive approximately 10.7 million shares on the open market as part of both the 2014 Repurchase Program and the 2015 Repurchase Program.

Pursuant to the 2014 Repurchase Program and the 2015 Repurchase Program, as of December 31, 2015 the Company purchased a total of 16.4 million shares for an average purchase price of $59.22 per share.

Since the announcement of the September 2014 $1.0 billion capital return plan and through December 31, 2015, approximately $1.1 billion was returned through share repurchases and cash dividends and a total of $1.4 billion was returned to shareholders since 2012.

The following table presents cash dividends declared and distributed per common share for the periods indicated:

	Dividends Per Share	Amount (in thousands)
2014:		
Fourth quarter	$ 0.18	$ 20,393
2015:		
First quarter	$ 0.18	$ 20,411
Second quarter	0.18	20,442
Third quarter	0.22	24,152
Fourth quarter	0.22	22,792
Total cash dividends declared and distributed	$ 0.80	$ 87,797

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Common Stock.

The following table presents activity related to shares of common stock issued and repurchased for the periods indicated:

	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Balance At December 31, 2012	124,033,980	(3,919,394)	120,114,586
Common stock issued and exercise of stock options	1,517,381	—	1,517,381
Shares received for taxes and exercise price of stock awards	—	(352,086)	(352,086)
Shares received under stock repurchase programs	—	(3,197,371)	(3,197,371)
Stock issued to Directors and held in Treasury	3,907	(3,306)	601
Balance At December 31, 2013	125,555,268	(7,472,157)	118,083,111
Dividend payable/paid	99	(99)	—
Common stock issued and exercise of stock options	1,076,751	—	1,076,751
Shares received for taxes and exercise price of stock awards	—	(233,163)	(233,163)
Shares received under stock repurchase programs	—	(6,856,866)	(6,856,866)
Stock issued to Directors and held in Treasury	5,272	(2,636)	2,636
Balance At December 31, 2014	126,637,390	(14,564,921)	112,072,469
Dividend payable/paid	802	(385)	417
Common stock issued and exercise of stock options	1,558,965	—	1,558,965
Shares received for taxes and exercise price of stock awards	—	(763,558)	(763,558)
Shares received under stock repurchase programs	—	(11,856,169)	(11,856,169)
Stock issued to Directors and held in Treasury	3,032	(2,008)	1,024
Balance At December 31, 2015	128,200,189	(27,187,041)	101,013,148

Shared-Based Compensation. The Company regularly issues share-based compensation to its employees and directors who were not employees of the Company. The accounting guidance for share-based compensation requires measurement of compensation cost for share-based awards at fair value and recognition of compensation cost over the service period, net of estimated forfeitures.

In February 2016, the Company granted a portion of its employees with awards in the form of RSUs and MSUs. The total number of units granted was 711,329. The aggregate fair value of the awards was $42.5 million, of which approximately $9.8 million had been expensed in the year ended December 31, 2015 in relation to awards granted to retirement eligible employees under the award terms. A portion of the awards granted consisted of RSUs vesting over a three-year period, with one-third vesting on each anniversary of the grant in

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2017, 2018 and 2019. A smaller portion of the awards granted consisted of MSUs that will time-vest over a three year period and are subject to the achievement of the applicable absolute total shareholder return compounded annual growth rate and relative total shareholder return compounded annual growth rate performance metrics measured over a minimum three-year performance period. The performance period may also be extended for an additional period of six months only in the event that both of the performance metrics achieved by the Company are below specified threshold performance levels.

Certain MSU awards were also granted under an equity compensation plan that was approved by the Board, but remains subject to shareholder approval. As a result, these awards are not considered to have been granted in accordance with ASC Subtopic 718-10. If the plan is approved, the fair value of the target number of shares underlying such awards will be determined as of the grant date, which will coincide with shareholder approval of the equity compensation plan. These awards are subject to achievement of the same performance metrics as those for the MSUs granted in February 2016 and will vest at the same time.

For a small group of awards granted by the Company, all or a portion of the award may be cancelled in certain limited situations, including termination for cause, if employment is terminated before the end of the relevant restriction period. For the remainder of the awards granted by the Company, all or a portion of the award may be cancelled if employment is terminated for certain reasons before the end of the relevant restriction period for non-retirement-eligible employees.

In connection with awards under its equity-based compensation and benefit plans, the Company is authorized to use newly issued shares or certain shares of common stock held in treasury.

The components of share-based compensation expense related to the awards to Company employees and directors who are not employees of the Company of restricted stock units and restricted stock awards (representing shares of common stock) and options to purchase shares of common stock, as applicable, are presented below:

	Years Ended		
(in thousands)	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**
Deferred stock	$ 27,549	$ 25,830	$ 23,910
Stock options	(73)	1,201	1,643
Total	$ 27,476	$ 27,031	$ 25,553

The following table presents the amount of share-based compensation expense by category for the periods indicated:

	Years Ended		
(in thousands)	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**
Cost of revenues	$ 6,909	$ 7,187	$ 7,490
Selling and marketing	6,564	7,296	5,721
Research and development	2,823	3,128	2,283
General and administrative	11,180	8,005	7,277
Total share-based compensation expense	$ 27,476	$ 25,616	$ 22,771

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

There was no share-based compensation expense included in income (loss) from discontinued operations, net of income taxes for the year ended December 31, 2015. The amount included in income (loss) from discontinued operations, net of income taxes for the years ended December 31, 2014 and 2013 was $1.4 million and $2.8 million, respectively.

The tax benefits for share-based compensation expense related to deferred stock and stock options granted to Company employees and to directors who are not employees of the Company were $15.3 million, $2.8 million and $2.6 million for the years ended December 31, 2015, 2014 and 2013, respectively.

As of December 31, 2015, $14.5 million of compensation cost related to MSCI unvested share-based awards granted to the Company's employees and to directors who are not employees of the Company had not yet been recognized. The unrecognized compensation cost relating to unvested stock-based awards expected to vest will be recognized primarily over the next one to three years.

In connection with awards under its equity-based compensation and benefit plans, the Company is authorized to issue shares of common stock. As of December 31, 2015, 6.7 million shares of common stock were available for future grants under these plans.

Deferred Stock Awards. Certain Company employees have been granted deferred stock awards pursuant to a share-based compensation plan. The plan provides for the deferral of a portion of certain employees' discretionary compensation with awards made in the form of RSUs, PSUs and restricted stock awards (together, the "Deferred Stock Awards"). Recipients of RSUs, restricted stock awards and PSUs granted prior to January 2014 generally have rights to receive dividend equivalents that are not subject to vesting. Recipients of RSUs and PSUs granted in January 2014 and thereafter generally have rights to receive dividend equivalents that are subject to vesting. The Company reports the target number of PSUs granted unless it has determined, based on the actual achievement of performance measures, that an employee will receive a different amount of shares underlying the PSUs, in which case the Company reports the amount of shares employees are likely to receive.

The following table presents activity concerning the Company's vested and unvested deferred stock awards applicable to its employees (share data in thousands) for the period indicated:

For the Year Ended December 31, 2015	Number of Shares	Weighted Average Grant Date Fair Value
Vested and unvested deferred stock awards at December 31, 2014 (1)	1,213	$ 37.82
Granted	634	$ 55.20
Conversion to common stock	(640)	$ 36.55
Canceled	(132)	$ 47.47
Vested and unvested deferred stock awards at December 31, 2015	1,075	$ 47.70

(1) As of December 31, 2015, 1,054 restricted stock units and restricted stock awards, with a weighted average price of $47.60, were vested or expected to vest.

The total fair value of Deferred Stock Awards held by the Company's employees that converted to MSCI common stock during the years ended December 31, 2015, 2014 and 2013 was $34.1 million, $24.5 million and $28.2 million, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents activity concerning the Company's unvested deferred stock awards related to its employees (share data in thousands):

For the Year Ended December 31, 2015	Number of Shares	Weighted Average Grant Date Fair Value
Unvested deferred stock awards at December 31, 2014	883	$ 37.99
Granted	499	$ 55.45
Vested	(453)	$ 37.18
Canceled	(129)	$ 47.81
Unvested deferred stock awards at December 31, 2015	800	$ 47.83
Unvested deferred stock awards expected to vest	779	$ 47.69

Stock Option Awards. No MSCI stock options were issued during the years ended December 31, 2015 and 2014. During the year ended December 31, 2013, the Company awarded stock options to certain of its employees. The award was valued using a Black-Scholes valuation model. The weighted average fair value of MSCI stock options issued by the Company in the year ended December 31, 2013 was $19.18 utilizing the following assumptions:

	Assumptions
Risk free interest rate	1.87%
Expected option life in years	6.50
Expected stock price volatility	46.07%
Expected dividend yield	—

The expected stock price volatility assumption was determined using the historical volatility of the Company.

The following table presents activity concerning MSCI stock options granted to the Company's employees for the year ended December 31, 2015 (option data and dollar values in thousands, except exercise price):

For the Year Ended December 31, 2015	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Aggregated Intrinsic Value
Options outstanding at December 31, 2014	1,487	$ 22.69	3.76	N/A
Granted or assumed	—	$ —	N/A	N/A
Forfeited	(63)	$ 40.14	N/A	N/A
Conversion to common stock	(939)	$ 20.97	N/A	N/A
Options outstanding at December 31, 2015	485	$ 23.77	2.40	$ 23,432
Options exercisable at December 31, 2015	435	$ 22.29	2.68	$ 21,669
Options vested or expected to vest	485	$ 23.77	2.40	$ 23,432

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents information relating to the Company's outstanding stock options as of December 31, 2015 (number of options outstanding and aggregate intrinsic value data in thousands):

As of December 31, 2015	Options Outstanding			
Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Average Remaining Life (Years)	Aggregate Intrinsic Value
$9.92 to $16.48	55	$ 15.54	2.80	$ 3,109
$18.00	134	$ 18.00	1.87	$ 7,260
$20.45 to $24.11	153	$ 22.45	1.95	$ 7,581
$25.64 to $40.23	143	$ 33.75	3.23	$ 5,482
Total	485			$ 23,432

The following table presents information relating to the Company's exercisable stock options as of December 31, 2015 (number of options outstanding and aggregate intrinsic value data in thousands):

As of December 31, 2015	Options Exercisable			
Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Average Remaining Life (Years)	Aggregate Intrinsic Value
$9.92 to $16.48	55	$ 15.54	2.80	$ 3,109
$18.00	134	$ 18.00	1.87	$ 7,260
$20.45 to $24.11	153	$ 22.45	1.95	$ 7,581
$25.64 to $40.23	93	$ 32.18	2.31	$ 3,719
Total	435			$ 21,669

The intrinsic value of the stock options exercised by the Company's employees during the years ended December 31, 2015, 2014 and 2013 was $37.3 million, $12.8 million and $13.9 million, respectively.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. INCOME TAXES

The provision for income taxes (benefits) by taxing jurisdiction consisted of:

	Years Ended December 31, 2015	December 31, 2014	December 31, 2013
		(in thousands)	
Current			
U.S. federal	$ 85,540	$ 84,959	$ 97,739
U.S. state and local	22,108	13,929	16,820
Non U.S.	22,156	18,505	18,270
	129,804	117,393	132,829
Deferred			
U.S. federal	(10,546)	(2,606)	(14,362)
U.S. state and local	1,460	(3,356)	(3,802)
Non U.S.	(1,202)	(2,035)	(1,747)
	(10,288)	(7,997)	(19,911)
Provision for income taxes from continuing operations	$ 119,516	$ 109,396	$ 112,918
Provision for income taxes from discontinued operations	$ 6,390	$ 1,059	$ 10,146

The following table reconciles the provision to the U.S. federal statutory income tax rate for income from continuing operations:

	Years Ended December 31, 2015	December 31, 2014	December 31, 2013
U.S. federal statutory income tax rate	35.00%	35.00%	35.00%
U.S. state and local income taxes, net of U.S. federal income tax benefits	4.44%	2.72%	3.05%
Change in tax rates applicable to non-U.S. earnings	(2.73%)	(1.88%)	(0.93%)
Domestic tax credits and incentives	(2.62%)	(0.86%)	(0.95%)
Other	0.10%	0.50%	(0.07%)
Effective income tax rate	34.19%	35.48%	36.10%

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when such differences are expected to reverse. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2015 and 2014, were as follows:

	As of	
	December 31, 2015	December 31, 2014
	(in thousands)	
Deferred tax assets:		
Employee compensation and benefit plans	$ 23,700	$ 24,765
Deferred rent	7,485	7,229
State taxes	—	2,322
Pension	2,030	2,494
Unearned revenue	1,555	1,117
Loss carryforwards – current	—	1,667
Loss carryforwards – non-current	33,389	34,249
Other	678	1,979
Subtotal	68,837	75,822
Less: valuation allowance	(21,052)	(21,232)
Total deferred tax assets	$ 47,785	$ 54,590
Deferred tax liabilities:		
Intangible assets	$ (138,832)	$ (154,965)
Foreign currency translation	(352)	(629)
Property, equipment and leasehold improvements, net	(10,358)	(10,435)
Other	—	(246)
Total deferred tax liabilities	$ (149,542)	$ (166,275)
Net deferred tax liabilities	$ (101,757)	$ (111,685)

As presented in the table above, the Company has certain loss carryforward items. The tax value of the capital loss carryforward is $21.1 million which is set to expire in 2019. There is a full valuation allowance against this item. The tax value of the United States portion of the net operating loss carryforwards is $10.2 million which is subject to an annual limitation on utilization and will begin to expire in 2020.

The following table presents the components of income before provision for income taxes generated by domestic or foreign operations for the periods indicated:

	Years Ended		
	December 31, 2015	December 31, 2014	December 31, 2013
		(in thousands)	
Domestic	$ 282,764	$ 269,944	$ 276,549
Foreign (1)	66,790	38,394	36,279
Total income before provision for income taxes	$ 349,554	$ 308,338	$ 312,828

(1) Foreign income before provision for income taxes is defined as income generated from operations located outside the U.S., which includes income from foreign branches of U.S. companies.

Cumulative earnings attributable to foreign subsidiaries were $224.8 million, $149.1 million and $188.6 million for the years ended December 31, 2015, 2014, and 2013, respectively. No provisions for income tax that could occur upon repatriation have been recorded on these earnings which the Company intends to permanently reinvest abroad. At this time, it is not practicable to determine the amount of income taxes payable in the event all such foreign earnings are repatriated.

The Company regularly assesses the likelihood of additional assessments in each of the taxing jurisdictions in which it files income tax returns. The Company has established unrecognized tax benefits that the Company believes are adequate in relation to the potential for additional assessments. Once established, the Company adjusts unrecognized tax benefits only when more information is available or when an event occurs necessitating a change. As part of the Company's periodic review of unrecognized tax benefits and based on new information regarding the status of federal and state examinations, the Company's unrecognized tax benefits were remeasured. It is reasonably possible that significant changes in the balance of unrecognized tax benefits may occur within the next 12 months. At this time, however, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits and the impact on the effective tax rate over the next 12 months.

The Company believes the resolution of tax matters will not have a material effect on the Consolidated Statement of Financial Condition of the Company, although a resolution could have a material impact on the Company's Consolidated Statement of Income for a particular future period and on the Company's effective tax rate for any period in which such resolution occurs.

The following table presents a reconciliation of the beginning and ending amount of the gross unrecognized tax benefits, excluding interest and penalties, for the years ended December 31, 2015, 2014 and 2013:

Gross unrecognized tax benefits (in thousands)	Years Ended December 31, 2015	December 31, 2014	December 31, 2013
Beginning balance	$ 6,525	$ 7,089	$ 6,827
Increases based on tax positions related to the current period	536	292	194
Increases based on tax positions related to prior periods	2,131	1,969	2,690
Decreases based on tax positions related to prior periods	(500)	(346)	(2,474)
Increases/ (Decreases) related to settlements with taxing authorities	—	(1,652)	—
Increases/(Decreases) related to a lapse of applicable statute of limitations	—	(827)	(148)
Ending balance	$ 8,692	$ 6,525	$ 7,089

The total amount of unrecognized tax benefits was $7.8 million, net of federal benefit of state issues, competent authority and foreign tax credit offsets, as of December 31, 2015, which, if recognized, would favorably affect the effective tax rate in future periods. The Company recognizes the accrual of interest and penalties related to unrecognized tax benefits in the Provision for Income Taxes in the Consolidated Statement of Income. For the year ended December 31, 2015, the Company recognized $0.3 million of interest in the Consolidated Statement of Income. No significant penalties were recognized in the Consolidated Statement of Income for the year ended December 31, 2015.

The Company is under examination by the IRS and other tax authorities in certain jurisdictions, including foreign jurisdictions, such as India, and states in which the Company has significant business operations, such as New York. The tax years currently under examination vary by jurisdiction but include years ranging from 2005 through 2014. As a result of having previously been a member of the Morgan Stanley consolidated group, the Company may have future settlements with Morgan Stanley related to the ultimate disposition of their New York State and New York City examination relating to the tax years 2007 and 2008 and their IRS examination relating to the tax years 2006 through 2008. The Company does not believe it has any material exposure to the New York State and New York City examinations. Additionally, the Company believes it has adequate reserves for any tax issues that may arise out of the IRS examination relating to the tax years 2006 through 2008 and therefore does not believe any related settlement with Morgan Stanley will have a material impact.

12. ACQUISITIONS

The acquisition method of accounting is based on ASC Subtopic 805-10, *"Business Combinations,"* and uses the fair value concepts defined in ASC Subtopic 820-10, "*Fair Value Measurements and Disclosures*," which the Company has adopted as required. The total purchase price is allocated to the net tangible and intangible assets based upon their fair values as of the acquisition dates. The excess of the purchase price over the fair values of the net tangible assets and intangible assets was recorded as goodwill. The allocation of the purchase price was based upon a valuation and is subject to change within the one-year measurement period following the acquisition. MSCI expects to continue to obtain information to assist it in determining the fair value of the net assets acquired at the acquisition date during the measurement period.

Acquisition of Insignis

On October 16, 2015, the Company completed the purchase of Insignis for $6.5 million through its subsidiary InvestorForce. Insignis is a financial data provider, including data on positions, transactions and complex instruments such as exchange-traded futures and options, OTC swaps and foreign exchange spot and forward contracts. Financial results for Insignis will be included within the Analytics segment from the time of acquisition.

As of December 31, 2015, the preliminary purchase price allocations for the Insignis acquisition were $4.2 million for goodwill, $2.2 million for identifiable intangible assets and $0.1 million for assets other than identifiable intangible assets.

Acquisition of GMI Ratings

On August 11, 2014, the Company completed the acquisition of GMI Ratings for $15.5 million in cash through its subsidiary MSCI ESG Research Inc. GMI Ratings is a provider of corporate governance research and ratings on companies worldwide. Clients of GMI Ratings include institutional investors, banks, insurers, auditors, regulators and corporations seeking to incorporate ESG factors into risk assessment and decision-making.

The purchase price allocations for the GMI Ratings acquisition were $9.9 million for goodwill, $3.6 million for identifiable intangible assets, $6.7 million for assets other than identifiable intangible assets and $4.7 million for other liabilities.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. SEGMENT INFORMATION

ASC Subtopic 280-10, *"Segment Reporting,"* establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or CODM, in deciding how to allocate resources and assess performance. MSCI's Chief Executive Officer and Chief Operating Officer, who are considered to be its CODM, review financial information presented on an operating segment basis for purposes of making operating decisions and assessing financial performance.

The CODM measures and evaluates reportable segments based on segment operating revenues as well as Adjusted EBITDA and other measures. The Company excludes the following items from segment Adjusted EBITDA: income (loss) from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and certain transactions or adjustments that the CODM does not consider for the purposes of making decisions to allocate resources among segments or to assess segment performance. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net income and are included in the reconciliation that follows.

The Company's computation of segment Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies because all companies do not calculate segment Adjusted EBITDA in the same fashion.

Revenues and expenses directly associated with each segment are included in determining its operating results. Other expenses that are not directly attributable to a particular segment are allocated based upon allocation methodologies, including time estimates, headcount, sales targets, data center consumption and other relevant usage measures. Due to the integrated structure of our business, certain costs incurred by one segment may benefit other segments. A segment may use the content and data produced by another segment without incurring an arm's length intersegment charge.

The CODM does not review any information regarding total assets on an operating segment basis. Operating segments do not record intersegment revenue, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for MSCI as a whole.

The Company has four operating segments: Index, Analytics, ESG and Real Estate.

The Index operating segment is a provider of investment decision support tools, including equity indexes and equity index benchmarks. The products are used in many areas of the investment process, including portfolio construction and rebalancing, asset allocation, performance benchmarking and attribution, regulatory and client reporting and index-linked investment product creation.

The Analytics operating segment consists of products and services used for portfolio construction, risk management and reporting. The products enable institutional investors to monitor, analyze and report on the risk and return of investments across a variety of asset classes. They are based on proprietary, integrated fundamental multi-factor risk models, value-at-risk methodologies, performance attribution frameworks and asset valuation models. In addition, the Analytics segment includes products that help investors value, model and hedge physical assets and derivatives across a number of market segments, including energy and commodity assets.

The ESG operating segment offers products institutional investors use for assessing risks and opportunities arising from environmental, social and governance issues. ESG tools are used to evaluate both individual securities and investment portfolios.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Real Estate operating segment is a provider of real estate performance analysis for funds, investors, managers, lenders and occupiers. It provides index products and offers services that include research, reporting and benchmarking.

The operating segments of ESG and Real Estate do not individually meet the segment reporting thresholds and have been combined and presented as part of All Other for disclosure purposes.

The following table presents operating revenue by reportable segment for the periods indicated:

	Years Ended December 31, 2015	December 31, 2014	December 31, 2013
	(in thousands)		
Operating revenues			
Index	$ 558,964	$ 503,892	$ 448,414
Analytics	433,424	414,085	397,203
All Other	82,625	78,703	67,747
Total	$ 1,075,013	$ 996,680	$ 913,364

The following table presents segment profitability and a reconciliation to net income for the periods indicated:

	Years Ended December 31, 2015	December 31, 2014	December 31, 2013
	(in thousands)		
Index Adjusted EBITDA	$ 392,987	$ 349,685	$ 323,558
Analytics Adjusted EBITDA	95,468	72,173	97,806
All Other Adjusted EBITDA	(6,758)	(13,104)	(16,216)
Total operating segment profitability	481,697	408,754	405,148
Lease exit charge	—	—	(365)
Amortization of intangible assets	46,910	45,877	44,798
Depreciation and amortization of property, equipment and leasehold improvements	30,889	25,711	20,384
Operating income	403,898	337,166	340,331
Other expense (income), net	54,344	28,828	27,503
Provision for income taxes	119,516	109,396	112,918
Income from continuing operations	230,038	198,942	199,910
Income (loss) from discontinued operations, net of income taxes	(6,390)	85,171	22,647
Net income	$ 223,648	$ 284,113	$ 222,557

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Revenue by geography is based on the shipping address of the ultimate customer utilizing the product. The following table presents revenue by geographic area for the periods indicated:

	Years Ended		
(in thousands)	December 31, 2015	December 31, 2014	December 31, 2013
Revenues			
Americas:			
United States	$ 519,429	$ 471,145	$ 416,999
Other	41,552	37,189	34,547
Total Americas	560,981	508,334	451,546
Europe, the Middle East and Africa (“EMEA”):			
United Kingdom	166,019	154,308	141,938
Other	215,192	209,893	202,664
Total EMEA	381,211	364,201	344,602
Asia & Australia:			
Japan	45,371	46,642	46,752
Other	87,450	77,503	70,464
Total Asia & Australia	132,821	124,145	117,216
Total	$ 1,075,013	$ 996,680	$ 913,364

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Long-lived assets consist of property, equipment, leasehold improvements, goodwill and intangible assets, net of accumulated depreciation and amortization. The following table presents long-lived assets by geographic area on the dates indicated:

(in thousands)	As of December 31, 2015	As of December 31, 2014
Long-lived assets		
Americas:		
United States	$ 1,916,689	$ 1,944,433
Other	2,279	3,293
Total Americas	1,918,968	1,947,726
EMEA:		
United Kingdom	110,261	120,781
Other	16,849	13,345
Total EMEA	127,110	134,126
Asia & Australia:		
Japan	570	837
Other	9,389	9,917
Total Asia & Australia	9,959	10,754
Total	$ 2,056,037	$ 2,092,606

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. QUARTERLY RESULTS OF OPERATIONS (unaudited):

	2015				2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)							
Operating revenues	$ 262,769	$ 270,580	$ 268,771	$ 272,893	$ 239,688	$ 254,226	$ 251,661	$ 251,105
Cost of revenues	69,904	67,394	65,593	64,804	66,802	70,212	69,770	69,839
Selling and marketing	41,648	42,028	38,809	39,809	41,126	40,506	41,402	40,805
Research and development	23,189	20,807	15,548	17,776	17,465	17,374	19,021	17,235
General and administrative	20,377	22,080	19,960	23,590	17,692	20,240	19,516	18,921
Amortization of intangible assets	11,702	11,695	11,710	11,803	11,270	11,442	11,574	11,591
Depreciation and amortization of property, equipment and leasehold improvements	7,207	8,065	8,049	7,568	5,828	5,921	6,342	7,620
Total operating expenses	174,027	172,069	159,669	165,350	160,183	165,695	167,625	166,011
Operating income	88,742	98,511	109,102	107,543	79,505	88,531	84,036	85,094
Interest income	(204)	(185)	(285)	(492)	(156)	(192)	(277)	(226)
Interest expense (1)	11,108	11,116	17,267	22,896	5,059	5,366	5,604	15,791
Other expense (income)	178	164	(6,922)	(297)	1,071	(726)	(1,287)	(1,199)
Other expense (income), net	11,082	11,095	10,060	22,107	5,974	4,448	4,040	14,366
Income from continuing operations before provision for income taxes	77,660	87,416	99,042	85,436	73,531	84,083	79,996	70,728
Provision for income taxes	28,036	31,399	34,644	25,437	26,385	27,280	28,272	27,459
Income from continuing operations	49,624	56,017	64,398	59,999	47,146	56,803	51,724	43,269
Income (loss) from discontinued operations, net of income taxes	(5,797)	—	—	(593)	33,253	50,857	(10)	1,071
Net income	$ 43,827	$ 56,017	$ 64,398	$ 59,406	$ 80,399	$ 107,660	$ 51,714	$ 44,340
Earnings per basic common share								
From continuing operations	$ 0.44	$ 0.50	$ 0.59	$ 0.59	$ 0.40	$ 0.48	$ 0.44	$ 0.38
From discontinued operations	(0.05)	—	—	(0.01)	0.28	0.44	—	0.01
Earnings per basic common share	$ 0.39	$ 0.50	$ 0.59	$ 0.58	$ 0.68	$ 0.92	$ 0.44	$ 0.39
Earnings per diluted common share								
From continuing operations	$ 0.44	$ 0.50	$ 0.59	$ 0.58	$ 0.40	$ 0.48	$ 0.44	$ 0.38
From discontinued operations	(0.05)	—	—	(0.01)	0.28	0.43	—	0.01
Earnings per diluted common share	$ 0.39	$ 0.50	$ 0.59	$ 0.57	$ 0.68	$ 0.91	$ 0.44	$ 0.39
Weighted average shares outstanding used in computing per share data								
Basic	112,520	112,143	108,773	102,837	117,582	116,702	116,251	112,299
Diluted	113,522	112,931	109,440	103,589	118,597	117,664	117,163	113,289

(1) Increased interest expense during the fourth quarter of 2014 compared to the first three quarters of 2014 was primarily the result of the debt discount and deferred financing fees written off in connection with the 2024 Senior Notes offering and the 2014 Revolving Facility.

MSCI INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. SUBSEQUENT EVENTS

On February 2, 2016, the Board of Directors of the Company declared a quarterly dividend of $0.22 per share of common stock to be paid on March 11, 2016 to shareholders of record as of the close of trading on February 19, 2016.

Subsequent to the year ended December 31, 2015 and through February 19, 2016, an additional 2.6 million shares of common stock were repurchased for a total value of $170.6 million.

EXHIBIT INDEX

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
3.1	Third Amended and Restated Certificate of Incorporation	10-Q	001-33812	3.1	5/4/2012
3.2	Amended and Restated By-laws	10-Q	001-33812	3.2	5/4/2012
4.1	Form of Senior Indenture	S-3	333-206232	4.1	8/7/2015
4.2	Form of Subordinated Indenture	S-3	333-206232	4.2	8/7/2015
4.3	Form of Common Stock Certificate	10-Q	001-33812	4.1	5/4/2012
4.4	Indenture, dated as of November 20, 2014, among MSCI Inc., each of the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee	8-K	001-33812	4.1	11/20/2014
4.5	Form of Note for MSCI Inc. 5.250% Senior Notes due November 15, 2024 (included in Exhibit 4.4)	8-K	001-33812	4.2	11/20/2014
4.6	Indenture, dated as of August 13, 2015, among MSCI Inc., each of the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee	8-K	001-33812	4.1	8/13/2015
4.7	Form of Note for MSCI Inc. 5.750% Senior Notes due August 13, 2025 (included in Exhibit 4.6)	8-K	001-33812	4.2	8/13/2015
10.1†	Index License Agreement for Funds, dated as of March 18, 2000, between Morgan Stanley Capital International and Barclays Global Investors, N.A.	10-K	001-33812	10.1	2/27/2015
10.2†	Amendment to Index License Agreement for Funds between Morgan Stanley Capital International and Barclays Global Investors, N.A.	10-K	001-33812	10.2	2/29/2012
10.3†	Letter Agreement to Amend MSCI-BGI Fund Index License Agreement, dated as of June 21, 2001, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A.	10-K	001-33812	10.3	1/31/2011
10.4†	Addendum to the Index License Agreement for Funds, dated as of September 18, 2002, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A.	S-1/A	333-144975	10.4	9/26/2007
10.5†	Amendment to the Index License Agreement for Funds, dated as of December 3, 2004, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A.	S-1/A	333-144975	10.5	10/26/2007
10.6†	Amendment to the Index License Agreement for Funds, dated as of May 1, 2005, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A.	S-1/A	333-144975	10.6	9/26/2007

Table of Contents

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.7†	Amendment to the Index License Agreement for Funds, dated as of July 1, 2006, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A.	S-1/A	333-144975	10.7	10/26/2007
10.8	Amendment to Index License Agreement for Funds, dated as of June 5, 2007, between Morgan Stanley Capital International Inc. and Barclays Global Investors, N.A.	10-K	001-33812	10.8	1/31/2011
10.9	Amendment to Index License Agreement for Funds, dated as of November 7, 2008, between MSCI Inc. and Barclays Global Investors, N.A.	10-K	001-33812	10.9	2/29/2012
10.10†	Amendment to Index License Agreement for Funds, dated as of December 9, 2008, between MSCI Inc. and Barclays Global Investors, N.A.	10-Q	001-33812	10.2	7/2/2010
10.11	Amendment to Index License Agreement for Funds, dated as of April 1, 2009, between MSCI Inc. and Barclays Global Investors, N.A.	10-K	001-33812	10.11	1/29/2010
10.12†	Amendment to Index License Agreement for Funds, dated as of May 21, 2009, between MSCI Inc. and Barclays Global Investors, N.A.	10-Q	001-33812	10.3	7/2/2010
10.13	Amendment to Index License Agreement for Funds, dated as of September 30, 2009, between MSCI Inc. and Barclays Global Investors, N.A.	10-Q	001-33812	10.4	7/2/2010
10.14	Amendment to Index License Agreement for Funds, dated as of October 6, 2009, between MSCI Inc. and Barclays Global Investors, N.A.	10-K	001-33812	10.14	1/29/2010
10.15†	Amendment to the Index License Agreement for Funds, dated as of October 4, 2011, by and between MSCI Inc. and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.). Replaces in its entirety the Amendment to Index License Agreement for Funds, dated as of October 27, 2009, between MSCI Inc. and Barclays Global Investors, N.A. filed as Exhibit 10.15 to Form 10-K (001-33812) filed with the SEC on February 29, 2012	10-K	001-33812	10.15	3/1/2013
10.16	Trademark License Agreement, dated as of March 18, 2002, between Morgan Stanley Dean Witter & Co. and Morgan Stanley Capital International Inc.	S-1	333-144975	10.9	9/26/2007
10.17	Amendment No. 1 to Trademark License Agreement, dated July 21, 2008, between Morgan Stanley and MSCI Inc.	10-Q	001-33812	10.6	10/6/2008

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.18	Intellectual Property Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.	10-K	001-33812	10.10	2/28/2008
10.19	Amendment No. 1 to Intellectual Property Agreement, dated as of July 21, 2008, between Morgan Stanley and MSCI Inc.	10-Q	001-33812	10.4	10/6/2008
10.20	Services Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.	10-K	001-33812	10.11	2/28/2008
10.21	Amendment No. 1 to Services Agreement, dated as of July 21, 2008, between Morgan Stanley and MSCI Inc.	10-Q	001-33812	10.5	10/6/2008
10.22	Letter Agreement to Services Agreement, dated as of May 22, 2009, between Morgan Stanley and MSCI Inc.	8-K	001-33812	10.3	5/22/2009
10.23	Tax Sharing Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.	10-K	001-33812	10.12	2/28/2008
10.24	Shareholder Agreement, dated as of November 20, 2007, between Morgan Stanley and MSCI Inc.	10-K	001-33812	10.13	2/28/2008
10.25	Amended and Restated Shareholder Agreement, dated as of July 21, 2008, between Morgan Stanley and MSCI Inc.	10-Q	001-33812	10.3	10/6/2008
10.26	Asset Purchase Agreement, dated as of July 22, 2008, between MSCI Inc. and Morgan Stanley	10-Q	001-33812	10.7	10/6/2008
10.27	Separation Agreement, dated as of May 22, 2009, between Morgan Stanley and MSCI Inc.	8-K	001-33812	10.1	5/22/2009
10.28	Employee Matters Agreement, dated as of May 22, 2009, between Morgan Stanley and MSCI Inc.	8-K	001-33812	10.2	5/22/2009
10.29*	MSCI Inc. Amended and Restated 2007 Equity Incentive Compensation Plan	10-K	001-33812	10.30	3/1/2013
10.30*	MSCI Independent Directors' Equity Compensation Plan as amended and restated on January 12, 2011	10-K	001-33812	10.39	1/31/2011
10.31*	MSCI Inc. Performance Formula and Incentive Plan	Proxy	001-33812	Annex C	2/28/2008
10.32*	MSCI Equity Incentive Compensation Plan 2007 Founders Grant Award Certificate for Stock Options	10-K	001-33812	10.19	2/28/2008
10.33*	Form of Award Agreement for Restricted Stock Units for Directors under the MSCI Inc. Independent Directors' Equity Compensation Plan	10-K	001-33812	10.34	3/1/2013

[Table of Contents](#)

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.34*	RiskMetrics Group, Inc. 2000 Stock Option Plan	S-8	333-165888	99.1	6/3/2010
10.35*	RiskMetrics Group, Inc. 2004 Stock Option Plan	S-8	333-165888	99.2	6/3/2010
10.36*	RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan	10-K	001-33812	10.38	3/1/2013
10.37*	Form of Performance Award Agreement for Restricted Stock Units for Named Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.44	1/31/2011
10.38*	Form of Performance Award Agreement for Restricted Stock Units for Employees under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.45	1/31/2011
10.39*	Form of Award Agreement for Restricted Stock Units for Employees under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.46	1/31/2011
10.40*	Form of Award Agreement for Restricted Stock Units for Named Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.47	1/31/2011
10.41*	Form of Performance Award Agreement for Performance Stock Units for Employees under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.50	1/31/2011
10.42*	Form of Performance Award Agreement for Performance Stock Units for Named Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.51	1/31/2011
10.43*	Award Agreement for 2010 Price Vested Stock Option Award for the Chief Executive Officer under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.54	1/31/2011
10.44*	Form of Performance Award Agreement for Performance Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.46	3/1/2013
10.45*	Form of Performance Award Agreement for Performance Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.47	3/1/2013
10.46†	Amendment to Index License Agreement for Funds, dated as of December 15, 2009, between MSCI Inc. and Blackrock Institutional Trust Company, N.A.	10-K	001-33812	10.57	1/31/2011

Table of Contents

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.47	Amendment to Index License Agreement for Funds, dated as of June 13, 2011, between MSCI Inc. and BlackRock Institutional Trust Company, N.A.	10-K	001-33812	10.58	2/29/2012
10.48	Amendment to Index License Agreement for Funds, dated as of May 20, 2010	10-K	001-33812	10.59	1/31/2011
10.49†	Schedule No. 11043 to the Master Index License Agreement for Index Based Funds, between MSCI Inc. and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.), dated as of September 1, 2010	10-K	001-33812	10.60	1/31/2011
10.50†	Amendment to the Index License Agreement for Funds, dated as of November 19, 2010, between MSCI Inc. and Barclays Global Investors, N.A.	10-K	001-33812	10.50	2/27/2015
10.51	Amendment to the Index License Agreement for Funds, dated as of June 21, 2011, by and between MSCI Inc. and BlackRock Institutional Trust Company, N.A. (formerly known as Barclays Global Investors, N.A.)	10-K	001-33812	10.62	2/29/2012
10.52†	Amendment to the Index License Agreement for Funds, dated as of July 1, 2011, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and Blackrock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K/A	001-33812	10.63	7/20/2012
10.53†	Amendment to the Index License Agreement for Funds, dated as of August 23, 2011, by and between MSCI Inc. and Blackrock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.53	2/27/2015
10.54	Amendment to the Index License Agreement for Funds, dated as of October 4, 2011, by and between MSCI Inc. and BlackRock Institutional Trust Company, N.A. (formerly known as Barclays Global Investors, N.A.)	10-K	001-33812	10.65	2/29/2012
10.55†	Amendment to the Index License Agreement for Funds, dated as of October 4, 2011, by and between MSCI Inc. and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.57	3/1/2013
10.56	Amendment to the Index License Agreement for Funds, dated as of December 16, 2011, by and between MSCI Inc. (formerly, Morgan Stanley Capital International, Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.67	2/29/2012

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.57	Agreement of Lease dated September 16, 2011, by and between 7 World Trade Center, LLC and MSCI Inc.	8-K	001-33812	10.1	9/22/2011
10.58*	Director Deferral Plan	10-Q	001-33812	10.1	8/5/2011
10.59*	Offer Letter, executed May 25, 2012, between MSCI Inc. and Robert Qutub	8-K	001-33812	10.1	5/30/2012
10.60*	Change of Employment Status and Release Agreement, executed August 2, 2012, between MSCI Inc. and David M. Obstler	10-Q	001-33812	10.2	8/3/2012
10.61	Fixed Dollar Capped Accelerated Share Repurchase Transaction, dated as of December 13, 2012, between MSCI Inc. and Morgan Stanley & Co. LLC	10-K	001-33812	10.65	3/1/2013
10.62†	Amendment to the Index License Agreement for Funds, dated as of February 16, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.66	2/28/2014
10.63†	Amendment to the Index License Agreement for Funds, dated as of April 9, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.63	2/27/2015
10.64†	Amendment to the Index License Agreement for Funds, dated as of June 1, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.68	3/1/2013
10.65†	Amendment to the Index License Agreement for Funds, dated as of August 17, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.69	3/1/2013
10.66†	Amendment to the Index License Agreement for Funds, dated as of August 20, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.70	2/28/2014

Table of Contents

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.67†	Amendment to the Index License Agreement for Funds, dated as of November 6, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.71	2/28/2014
10.68†	Amendment to the Index License Agreement for Funds, dated as of November 15, 2012, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.72	3/1/2013
10.69†	Amendment to the Index License Agreement for Funds, dated as of February 21, 2013, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.73	2/28/2014
10.70†	Amendment to the Index License Agreement for Funds, dated as of March 20, 2013, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.74	2/28/2014
10.71†	Amendment to the Index License Agreement for Funds, dated as of September 11, 2013, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.71	2/27/2015
10.72†	Amendment to the Index License Agreement for Funds, dated as of December 10, 2013, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.72	2/27/2015
10.73†	Amendment to the Index License Agreement for Funds, dated as of December 16, 2013, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.72	2/27/2015
10.74*	Form of Performance Award Agreement for Performance Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.79	2/28/2014

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.75*	Form of Performance Award Agreement for Performance Stock Units for Chief Executive Officer under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.80	2/28/2014
10.76*	Form of Performance Award Agreement for Performance Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.81	2/28/2014
10.77*	Form of Award Agreement for Restricted Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.82	2/28/2014
10.78*	Form of Award Agreement for Restricted Stock Units for Chief Executive Officer under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.83	2/28/2014
10.79*	Form of Award Agreement for Restricted Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.84	2/28/2014
10.80*	Award Agreement for 2013 Non-Qualified Stock Option Award	10-K	001-33812	10.85	2/28/2014
10.81	Fixed Dollar Capped Accelerated Share Repurchase Transaction, dated as of August 1, 2013, between MSCI Inc. and Morgan Stanley & Co. LLC	10-Q	001-33812	10.1	11/1/2013
10.82†	Amendment to the Index License Agreement for Funds, dated as of January 23, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.82	2/27/2015
10.83†	Amendment to the Index License Agreement for Funds, dated as of January 23, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.83	2/27/2015
10.84	Stock Purchase Agreement, dated as of March 17, 2014, among MSCI Inc., RiskMetrics Group Holdings, LLC and VISS Acquisition Corp.	8-K	001-33812	2.1	4/20/2014
10.85†	Letter Agreement to amend the Amendment to the Index License Agreement for Funds, dated as of March 18, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)	10-K	001-33812	10.85	2/27/2015

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.86	Letter Agreement regarding a Fixed Dollar Capped Accelerated Share Repurchase Transaction, dated as of February 6, 2014, between MSCI Inc. and Morgan Stanley & Co. LLC	10-Q	001-33812	10.1	5/2/2014
10.87*	Form of Award Agreement for Restricted Stock Units for Directors under the MSCI Inc. Independent Directors' Equity Compensation Plan, as amended	10-Q	001-33812	10.2	5/2/2014
10.88*	Summary of Non-Employee Director Compensation	10-Q	001-33812	10.3	5/2/2014
10.89†	Amendment to the Index License Agreement for Funds, dated as of July 9, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)	10-K	001-33812	10.89	2/27/2015
10.90†	Amendment to the Index License Agreement for Funds, dated as of July 16, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)	10-K	001-33812	10.90	2/27/2015
10.91†	Amendment to the Index License Agreement for Funds, dated as of August 15, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)	10-K	001-33812	10.91	2/27/2015
10.92†	Amendment to the Index License Agreement for Funds, dated as of September 9, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)	10-K	001-33812	10.92	2/27/2015
10.93†	Amendment to the Index License Agreement for Funds, dated as of September 17, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)	10-K	001-33812	10.93	2/27/2015
10.94	Master and Supplemental Confirmations regarding Accelerated Stock Buyback, dated as of September 18, 2014, between MSCI Inc. and Goldman, Sachs & Co.	10-Q	001-33812	10.1	10/30/2014

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.95†	Amendment to the Index License Agreement for Funds, dated as of September 22, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)	10-K	001-33812	10.95	2/27/2015
10.96†	Amendment to the Index License Agreement for Funds, dated as of October 30, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)			Filed Herewith	
10.97	Revolving Credit Agreement, dated as of November 20, 2014, among MSCI Inc., as the Borrower, each of the Subsidiary Guarantors party thereto, JPMorgan Chase Bank, N.A., as the Administrative Agent and L/C Issuer, the Lenders party thereto and J.P. Morgan Securities LLC, as Lead Arranger and Bookrunner	8-K	001-33812	10.1	11/20/2014
10.98	Cooperation Agreement, dated as of January 29, 2015	8-K	001-33812	99.1	1/30/2015
10.99*	Form of Award Agreement for Restricted Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-K	001-33812	10.101	2/27/2015
10.100*	Form of Annual Performance Award Agreement for Performance Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan			Filed Herewith	
10.101*	Form of Award Agreement for Restricted Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan			Filed Herewith	
10.102††	Amendment to the Index License Agreement for Funds, dated as of February 4, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)			Filed Herewith	
10.103††	Amendment to the Index License Agreement for Funds, dated as of February 25, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)			Filed Herewith	

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.104††	Letter Agreement (to amend the Amendment dated December 10, 2013) to the Index License Agreement for Funds, dated as of March 17, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)		Filed Herewith		
10.105††	Amendment to the Index License Agreement for Funds, dated as of April 20, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.106††	Amendment to the Index License Agreement for Funds, dated as of April 20, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.107*	Form of Award Agreement for Restricted Stock Units for Directors under the MSCI Inc. Independent Directors' Equity Compensation Plan, as amended	10-Q	001-33812	10.1	5/1/2015
10.108*	Change of Employment Status and Release Agreement for Roveen Bhansali	10-Q	001-33812	10.1	5/1/2015
10.109*	MSCI Inc. Change in Control Severance Plan	8-K	001-33812	10.1	5/29/2015
10.110††	Amendment (to amend the Amendment dated February 21, 2013) to the Index License Agreement for Funds, dated as of June 1, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.111††	Amendment to the Index License Agreement for Funds, dated as of June 1, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.112††	Amendment (to amend the Amendment dated November 6, 2012) to the Index License Agreement for Funds, dated as of June 4, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.113††	Amendment (to amend the Amendments dated January 23, 2014 and April 15, 2014) to the Index License Agreement for Funds, dated as of June 4, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.114*	Form of Performance Award Agreement for Performance Stock Units for Executive Officers under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-Q	001-33812	10.2	7/31/2015
10.115*	Form of Special Performance Award Agreement for Performance Stock Units under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan	10-Q	001-33812	10.3	7/31/2015
10.116††	Amendment to the Index License Agreement for Funds, dated as of August 1, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.117††	Amendment (to amend the Amendment dated October 4, 2011) to the Index License Agreement for Funds, dated as of August 3, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.118††	Amendment (to amend the Amendment dated January 23, 2014) to the Index License Agreement for Funds, dated as of August 3, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
10.119††	Amendment (to amend the Amendment dated August 15, 2014) to the Index License Agreement for Funds, dated as of August 3, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		

[Table of Contents](#)

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
10.120††	Letter Agreement (to amend the Amendment dated August 15, 2014) to the Index License Agreement for Funds, dated as of August 3, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)		Filed Herewith		
10.121††	Letter Agreement (to amend the Amendment dated April 20, 2015) to the Index License Agreement for Funds, dated as of October 9, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)		Filed Herewith		
10.122††	Letter Agreement (to amend the Amendment dated December 10, 2013) to the Index License Agreement for Funds, dated as of December 17, 2015, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Institutional Trust Company, N.A. (formerly, Barclays Global Investors, N.A.)		Filed Herewith		
10.123*	Transition and Release Agreement, dated as of February 10, 2016, by and between MSCI Inc. and Robert Qutub		Filed Herewith		
10.124*	Form of Multi-Year EICP PSU Award Agreement	8-K	001-33812	10.1	2/12/2016
10.125*	Form of Multi-Year Omnibus PSU Award Agreement	8-K	001-33812	10.2	2/12/2016
10.126	Amendment (to amend the Amendment dated January 23, 2014) to the Index License Agreement for Funds, dated as of April 15, 2014, by and between MSCI Inc. (formerly, Morgan Stanley Capital International Inc.) and BlackRock Fund Advisors (as successor to Barclays Global Investors, N.A.)		Filed Herewith		
21.1	Subsidiaries of the Registrant		Filed Herewith		
23.1	Consent of PricewaterhouseCoopers LLP		Filed Herewith		
23.2	Consent of Deloitte & Touche LLP		Filed Herewith		
24.1	Powers of Attorney (included as part of Signature Page)		Filed Herewith		
31.1	Rule 13a-14(a) Certification of Chief Executive Officer		Filed Herewith		

Exhibit Number	Description	Form	File No.	Exhibit No.	Filing Date
31.2	Rule 13a-14(a) Certification of Chief Financial Officer			Filed Herewith	
32.1	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer			Furnished Herewith	
101.INS	XBRL Instance Document.			Filed Herewith	
101.SCH	XBRL Taxonomy Extension Schema Document.			Filed Herewith	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.			Filed Herewith	
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.			Filed Herewith	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.			Filed Herewith	
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.			Filed Herewith	

* Indicates a management compensation plan, contract or arrangement.
† Confidential treatment has been granted for a portion of this exhibit.
†† Confidential treatment requested.

Exhibit 10.96

CONFIDENTIAL TREATMENT GRANTED. *********** INDICATES OMITTED MATERIAL THAT HAS BEEN GRANTED CONFIDENTIAL TREATMENT BY THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00146453.0

AMENDMENT

Date of Amendment: October 30, 2014

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (MSCI reference number IXF_00040) dated as of March 18, 2000 (as previously amended, the "Agreement") is made by and between MSC1 Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

1. Exhibit A of the Agreement is hereby amended to add the following *****:

   - **

   Or such other ***** as agreed by Licensee and MSCI in writing.

2. Licensee may use the ***** set forth in Section 1 above solely with respect to the following Licensee fund (which shall be a "Fund" as such term is defined in the Agreement):

   - iShares MSCI Emerging Workforce ETF

   Or such other names as agreed by Licensee and MSCI in writing.

   The Fund shall be ************************* fund listed on a national securities exchange located in the United States.

3. Licensee shall pay MSCI *********** license fee based on the Fund's ***, which fee shall be calculated and payable on a ********* basis. The ********* license fee shall be calculated ** ** ***********************, as follows:

****
****
****

For the avoidance of doubt, the ********* license fees shall be calculated *************. For example, ** ** ** *** ** ***

“<u>Expense Ratio</u>” shall mean the ********************************** obtained when dividing
****
****
***.

Notwithstanding anything to the contrary contained herein, if the Fund does not have an ************* or if a Fund’s ********************************** or if a Fund has an *********************, the ********* licensee fee for such Fund shall equal
***.

4. Special Conditions:

a. To the extent that this Amendment conflicts with the Agreement, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.

b. MSCI may terminate this Amendment with respect to the Index set forth in Section 1 if, within one (1) year of the date of this Amendment, Licensee does not list the Fund and/or the Fund is not based on the Index.

c. If Licensee delists the Fund or changes the underlying MSCI index for the Fund, then Licensee’s right to use the Index with respect to the Fund shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors

By /s/ Paul C. Lohrey
Name Paul C. Lohrey
Title Managing Director

Date 10/29/2014

MSCI Inc.

By /s/ David Kinzelberg
Name David Kinzelberg
Title Executive Director

Date Nov 3, 2014

**ANNUAL PERFORMANCE AWARD AGREEMENT
FOR PERFORMANCE STOCK UNITS
FOR EXECUTIVE OFFICERS
UNDER THE MSCI INC. 2007 AMENDED AND RESTATED EQUITY INCENTIVE
COMPENSATION PLAN**

MSCI Inc. ("**MSCI**," and together with its Subsidiaries, the "**Company**") hereby grants to you Performance Stock Units ("**PSUs**") as described below. The awards are being granted under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (as may be amended from time to time, the "**Plan**").

Participant:	[Name]
Number of PSUs Granted:	[#] PSUs (the "**Target PSUs**")
Grant Date:	**[•]** (the "**Grant Date**")
Vesting Schedule:	**[•]**
Performance Period:	**[•]**

Your PSUs may be subject to forfeiture or recoupment if you terminate employment with the Company or do not comply with the notice requirements, as set forth in the Plan and this Performance Stock Unit Award Agreement (including Exhibit A[, Exhibit B and Exhibit C] attached hereto, this "**Award Agreement**"). [As of the Grant Date, you are Full Career Retirement eligible (as defined in Exhibit A attached hereto), subject to the terms of this Award Agreement.]

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A[, Exhibit B and Exhibit C] attached hereto. [You also agree that PSUs granted to you pursuant to this Award Agreement and any Shares issued in settlement or satisfaction thereof are subject to the MSCI Clawback Policy.] You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

MSCI Inc.

____
Name:
Title:

EXHIBIT A

TERMS AND CONDITIONS

OF THE 2016 PERFORMANCE AWARD AGREEMENT

Section 1. PSUs Generally. MSCI has awarded you PSUs as an incentive for you to continue to provide services to the Company and to align your interests with those of the Company. As such, you will earn your Adjusted PSUs (as defined below) only if you remain in continuous employment with the Company through the Vesting Date, or as otherwise set forth below. Each PSU corresponds to one share of MSCI common stock, par value $0.01 per share (each, a "**Share**"). Each PSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such PSU.

Section 2. Performance Adjustment, Vesting and Conversion Schedule and HSR Act.

(a) *Performance Adjustment.* The number of Target PSUs awarded under this Award Agreement shall be adjusted, within a range of **[•]** to **[•]** of the number of Target PSUs, after the end of the Performance Period based on the achievement of the **[•]** and, if applicable, **[•]** performance metrics (collectively, the "**Performance Metrics**") set forth in Appendix 1 hereto. Following the end of the Initial Performance Period and, if applicable, the Extended Performance Period, management of MSCI shall provide its calculation of the Performance Metrics to the Committee. The Committee will review the extent of the achievement of the Performance Metrics and shall certify in writing such achievement.

The number of PSUs that will be converted into Shares pursuant to Section 2(b), Section 4 or Section 5 (the "**Adjusted PSUs**") will be determined based on the following formula on a date no later than **[•]** (such date, the "**Adjustment Date**"):

Target PSUs	x	Adjustment Percentage (as defined in Appendix 1)	=	Number of Adjusted PSUs

(b) *Vesting and Conversion*. The Target PSUs will vest (as to service) **[•]** (the "**Vesting Date**"), subject to adjustment in accordance with Section 2(a); *provided* that, subject to Section 4 and Section 5, you continue to be employed by the Company on the Vesting Date; *provided*, *further*, that you have complied with all applicable provisions of the HSR Act. Vested Adjusted PSUs shall convert into Shares on **[•]**.

(c) *HSR Act*. If Adjusted PSUs would have vested pursuant to this Section 2 or Section 4, but did not vest solely because you were not in compliance with all applicable provisions of the HSR Act, subject to Section 409A, the vesting date for such Adjusted PSUs shall occur on the first date following the date on which you have complied with all applicable provisions of the HSR Act.

Section 3. Dividend Equivalent Payments. Until your PSUs convert to Shares, if MSCI pays a dividend on Shares, you will be credited with a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares for your vested and unvested PSUs immediately prior to the record date (taking into account any adjustments pursuant to Section 2(a) and adjustments provided under the Plan). Assuming you hold PSUs on the record date, MSCI will credit the dividend equivalent payments when it pays the corresponding dividend on its Shares. Your dividend equivalents will vest and be paid at the same time as, and subject to the same vesting and cancellation provisions set forth in this Award Agreement with respect to, your PSUs (*provided* that, subject to Section 21, the dividend equivalents may be paid following the scheduled conversion date on the next regularly scheduled payroll date). No dividend equivalents will be paid to you with respect to any canceled or forfeited PSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit [C].

Section 4. Termination of Employment. Upon termination of employment with the Company prior to the Vesting Date pursuant to this Section 4, the following special vesting and payment terms will apply to your unvested PSUs:

(a) *Termination of Employment Due to Death or Disability*. If your employment with the Company terminates due to death or Disability, in each case, prior to the Vesting Date, your Adjusted PSUs will vest and convert into Shares on the Adjustment Date (even though you are not employed by the Company on the Vesting Date). Upon a termination of employment due to death, the Adjusted PSUs shall be delivered in accordance with Section 10.

(b) *Involuntary Termination of Employment by the Company Prior to Full Career Retirement Eligibility*. In the event of an involuntary termination of your employment by the Company without Cause prior to the Vesting Date, your Adjusted PSUs will vest and convert into Shares on the Adjustment Date (even though you are not employed by the Company on the Vesting Date); provided that such vesting and conversion is subject to your execution and non-revocation of an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment.

(c) *Full Career Retirement*. If your employment with the Company terminates due to Full Career Retirement (i) prior to or on the Vesting Date, your Adjusted PSUs will convert into Shares on the Adjustment Date; *provided*, that, if on the Adjustment Date you are subject to a non-compete restriction [(other than those set forth in Exhibit B to this Award Agreement)] which has not yet expired, your PSUs will convert into Shares at any time, in the discretion of the Committee, during the period (x) commencing on the Adjustment Date and (y) ending on **[•]** or (ii) after the Vesting Date, but prior to the Adjustment Date, your Adjusted PSUs will convert into Shares on **[•]**.

(d) *Governmental Service Termination*. If your employment with the Company terminates prior to the Adjustment Date in a Governmental Service Termination, to the extent permitted under Section 409A, your PSUs will be adjusted (within a range of **[•]** to **[•]**) based on the expected (or actual, as the case may be if such termination occurs after the expiration of the Performance Period) achievement of the

Performance Metrics for the Performance Period, which will be determined by extrapolating from the Performance Metrics that have been achieved as of the end of the most recent completed fiscal quarter prior to the date your employment with the Company terminates, and such Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination. If your employment with the Company terminates after the Adjustment Date in a Governmental Service Termination under circumstances not involving a Cancellation Event, your Adjusted PSUs will vest and convert into Shares within 60 days following the date of such termination.

(e) *Other Resignations from Employment*. All other resignations from employment must comply with the Notice Requirements.

(i) If you resign from your employment with the Company under circumstances which are not in accordance with the provisions above in this Section 4, you will forfeit any PSUs that have not vested as of your last day of employment with the Company; and

(ii) If, prior to the Vesting Date, you give MSCI notice of your intention to resign from your employment with the Company as of a date following the Vesting Date, your PSUs will vest and settle in accordance with Section 2; *provided*, *however*, that if you do not subsequently comply with the Notice Requirements, the Committee may, in its discretion, require that the gross cash value of the PSUs delivered to you in accordance with this Section 4(e)(ii) be subject to recoupment or payback.

For the avoidance of doubt, (A) revocation of a notice of intention to resign may, in the Company's sole discretion or if required to comply with Section 409A, be deemed to be noncompliant with the Notice Requirements and, in connection with such revocation, your PSUs may be forfeited and (B) if, after you have given notice of your intention to resign or retire, as applicable, from your employment with the Company, the Company involuntarily terminates your employment without Cause prior to the expiration of your notice period, your outstanding PSUs will be treated in accordance with Section 4(b) or 4(c), as applicable.

Notwithstanding anything to the contrary contained herein, the Adjusted PSUs shall only vest pursuant to this Section 4 provided that you have complied with all applicable provisions of the HSR Act.

Section 5. Change in Control.

(a) *General*. In the event of a Change in Control, the Committee, in its sole discretion, may provide for (i) the continuation or assumption of your outstanding PSUs under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent, in which case your PSUs will continue to be subject to the terms of this Award Agreement, or (ii) the lapse of restrictions relating to and the settlement of your outstanding PSUs immediately prior to such Change in Control in the event a buyer will not continue or assume the PSUs; *provided*, *however*, in each case, the Performance

Metric targets relating to any outstanding Target PSUs (that are not Adjusted PSUs) will be deemed to have been achieved at [•]. Following a Change in Control in which your outstanding PSUs are continued or assumed pursuant to clause (i) above, such PSUs may be settled in cash, stock or a combination thereof.

(b) *Qualifying Termination*. In the event of a Qualifying Termination (as defined below), your PSUs will vest and convert into Shares within 60 days following such Qualifying Termination. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year. "**Qualifying Termination**" means a termination of employment by the Company without Cause or by you for Good Reason (which shall be deemed an involuntary termination of employment by the Company without Cause), in each case within 24 months following the effective date of the Change in Control in which the PSUs are continued or assumed.

Section 6. Restrictive Covenants. In consideration of the grant of PSUs under this Award Agreement, and in consideration for all other awards granted by the Company to you under the Plan, you agree to be bound by, and to comply with, the restrictive covenants set forth in Exhibit B to this Award Agreement (collectively, the "**Restrictive Covenants**"). In the event you violate any of the Restrictive Covenants (a) prior to or on the Adjustment Date, you will forfeit the PSUs (whether or not they are Adjusted PSUs) outstanding as of the date of such violation or (b) after the Adjustment Date, but prior to or on the expiry date of the Restrictive Covenants (as set forth in Exhibit B to this Award Agreement), you will promptly deliver to the Company all Shares acquired upon conversion of the Adjusted PSUs (or, to the extent you no longer hold such Shares, you will pay to the Company an amount on a gross basis equal to the Fair Market Value of any such Shares on the date the Shares were delivered to you). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not violated any of the Restrictive Covenants.

Section 7. Cancellation of Awards. Notwithstanding any other terms of this Award Agreement, your PSUs will be canceled prior to conversion in the event of any Cancellation Event. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that no Cancellation Event has occurred. If you fail to submit a timely certification or evidence, MSCI will cancel your award. Except as explicitly provided in Section 4, upon a termination of your employment by you or by the Company for any reason, any of your PSUs that have not vested pursuant to Section 2 as of the date of your termination of employment with the Company will be canceled and forfeited in full as of such date.

Section 8. Tax and Other Withholding Obligations. Pursuant to rules and procedures that MSCI establishes (including those set forth in Section 16(a) of the Plan), tax or other withholding obligations arising upon vesting and conversion (as applicable) of your PSUs may be satisfied, in MSCI's sole discretion, by having MSCI withhold Shares, tendering Shares or by having MSCI withhold cash if MSCI provides for a cash withholding option, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the Fair

Market Value of the Shares on the date your PSUs convert. In order to comply with applicable accounting standards or the Company's policies in effect from time to time, MSCI may limit the amount of Shares that you may have withheld or that you may tender. You acknowledge that, if you are subject to Tax-Related Items (as defined below) in more than one jurisdiction, the Company (including any former employer) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Section 9. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your PSUs, other than as provided in Section 10 or by will or the laws of descent and distribution or otherwise as provided for by the Committee.

Section 10. Designation of a Beneficiary. If you reside in the United States, you may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix 2 with your personal tax or estate planning representative. Any Shares that become payable upon your death, and as to which a designation of beneficiary is not in effect, will be distributed to your estate. You may replace or revoke your beneficiary designation at any time. If there is any question as to the legal right of any beneficiary(ies) to receive Shares under this award, MSCI may determine in its sole discretion to deliver the Shares in question to your estate. MSCI's determination shall be binding and conclusive on all persons, and it will have no further liability to anyone with respect to such Shares.

Section 11. Ownership and Possession. Except as set forth herein, you will not have any rights as a stockholder in the Shares corresponding to your PSUs prior to conversion of your PSUs.

Section 12. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon conversion of your PSUs and any stock certificates that may subsequently be issued in substitution for the original certificates. MSCI may advise the transfer agent to place a stop order against such Shares if it determines that such an order is necessary or advisable.

Section 13. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your PSUs (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges, associations or other institutions with which MSCI has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

Section 14. No Entitlements.

(a) *No Right to Continued Employment*. This PSU award is not an employment agreement, and nothing in this Award Agreement or the Plan shall alter your status as an "at-will" employee of the Company.

(b) *No Right to Future Awards*. This award, and all other awards of PSUs and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of PSUs or any other equity-based award at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement.

(c) *No Effect on Future Employment Compensation*. MSCI has made this award to you in its sole discretion. This award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, this award is not part of your base salary or wages and will not be taken into account in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Section 15. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Section 16. Consents under Local Law. Your award is conditioned upon the making of all filings and the receipt of all consents or authorizations required to comply with, or to be obtained under, applicable local law.

Section 17. Award Modification and Section 409A.

(a) *Modification*. MSCI reserves the right to modify or amend unilaterally the terms and conditions of your PSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. MSCI may not modify your PSUs in a manner that would materially impair your rights in your PSUs without your consent; *provided*, *however*, that MSCI may, without your consent, amend or modify your PSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to ensure that your PSUs are not subject to tax prior to payment. MSCI will notify you of any amendment of your PSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Chief Human Resources Officer, the Chief Administrative Officer, the Chief Financial Officer or the General Counsel (or if such positions no longer exist, by the holders of equivalent positions) to be effective.

(b) *Section 409A.*

(i) You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. For the avoidance of doubt, the Company makes no representations that the payments provided under this Award Agreement comply with Section 409A, and in no event will the Company be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(ii) Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, no conversion specified hereunder shall occur unless permissible under Section 409A. If MSCI considers you to be one of its "specified employees" and you are a U.S. taxpayer, in each case, at the time of your "separation from service" (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the "**Specified Employee Period**"). Any conversion of Adjusted PSUs into Shares that would have occurred during the Specified Employee Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (A) conversion of such Adjusted PSUs into Shares on the first business day following the Specified Employee Period or (B) a cash payment on the first business day following the Specified Employee Period equal to the value of such Adjusted PSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI; *provided*, that to the extent this Section 17(b)(ii) is applicable, in the event that after the date of your separation from service from the Company you (X) die or (Y) accept employment at a Governmental Employer and provide MSCI with satisfactory evidence demonstrating that as a result of such new employment the divestiture of your continued interest in MSCI equity awards or continued ownership of the Shares is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer, any conversion or payment delayed pursuant to this Section 17(b)(ii) shall occur or be made immediately. For the avoidance of doubt, any determination as to form of payment provided in this Section 17(b)(ii) will be in the sole discretion of MSCI.

(iii) For purposes of any provision of this Award Agreement providing for the payment of any amounts of nonqualified deferred compensation upon or following a termination of employment from the Company, references to your "termination of employment" (and corollary terms) shall be construed to refer to your "separation from service" from the Company.

(iv) MSCI reserves the right to modify the terms of this Award Agreement, including, without limitation, the payment provisions applicable to your PSUs, to the extent necessary or advisable to comply with Section 409A and reserves the right to make any changes to your PSU award so that it does not become subject to Section 409A or become subject to a Specified Employee Period.

Section 18. Severability. In the event MSCI determines that any provision of this Award Agreement would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your award, then such provision will be considered null and void, and this Award Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 19. Successors. This Award Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Agreement or the Plan.

Section 20. Governing Law; Venue. This Award Agreement and the related legal relations between you and the Company will be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the award to the substantive law of another jurisdiction. For purposes of litigating any dispute that arises under this grant or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 21. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your PSUs to convert to Shares, or your dividend equivalents to be paid, on a specified event or date, such conversion or payment will be considered to have been timely made, and neither you nor any of your beneficiaries or your estate shall have any claim against the Company for damages based on a delay in conversion or payment, and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as payment is made by December 31 of the year in which the applicable vesting date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 22. Non-U.S. Participants. The following provisions will apply to you if you reside or work outside of the United States. For the avoidance of doubt, if you reside or work in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Termination of Employment*. Unless otherwise provided in Section 4, your employment relationship will be considered terminated as of the date you are no longer actively providing services to the Company (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and such date will not be extended by any notice period (*i.e.*, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

(b) *Tax and Other Withholding Obligations*. You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("**Tax-Related Items**") is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in and/or tendering Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the PSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from your wages or other cash compensation paid to you by MSCI and/or your employer, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(c) *Nature of Grant*. In accepting the PSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this PSU award is not an employment or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued employment with the Company or interfere with the ability of the Company to terminate your employment or service relationship (if any);

(iii) this award, and all other awards of PSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does not confer on you any contractual or other right or entitlement to receive another award of PSUs, any other equity-based award or benefits in lieu of PSUs at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of PSUs hereunder, for which you have no current entitlement.

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future PSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of PSUs and the Shares subject to the PSUs are not intended to replace any pension rights or compensation;

(vii) this award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, the PSUs and the Shares subject to the PSUs, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments to, past services for the Company, the employer, or any Subsidiary;

(viii) unless otherwise agreed with MSCI, the PSUs and the Shares subject to the PSUs, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary;

(ix) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and

(xi) you acknowledge and agree that the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the PSU or of any amounts due to you pursuant to the settlement of the PSU or the subsequent sale of any Shares acquired upon settlement.

(d) ***Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other PSU grant materials by and among, as applicable, MSCI and any Subsidiary for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in MSCI, details of all PSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to E*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI, E*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you PSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.

(e) *Language*. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(f) *Electronic Delivery and Acceptance*. MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(g) *Exhibit [C]*. Notwithstanding any provisions in this Award Agreement, the PSUs shall be subject to any special terms and conditions set forth in Exhibit [C] to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit [C], the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit [C] constitutes part of this Award Agreement.

(h) *Insider Trading Restrictions/Market Abuse Laws*. You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., PSUs) under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions, and you should consult your personal legal advisor on this matter.

Section 23. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

A "**Cancellation Event**" will be deemed to have occurred under any one of the following circumstances:

(a) misuse of Confidential Information (as defined in Exhibit B to this Award Agreement) failure to comply with your obligations under MSCI's Code of Conduct or otherwise with respect to Confidential Information;

(b) termination from the Company for Cause (or a later determination that you could have been terminated for Cause; *provided* that such determination is made within six months of termination); or

(c) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements;

"**Cause**" means:

(a) any act or omission which constitutes a material willful breach of your obligations to the Company or your continued and willful refusal to substantially perform satisfactorily any duties reasonably required of you, which results in material injury to the interest or business reputation of the Company and which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to physical or mental illness) within 30 days after written notification thereof to you by the Company; *provided* that no act or failure to act on your part shall be deemed willful unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission with respect to the Company, which has caused or may reasonably be expected to cause a material injury to the interest or business reputation of the Company and which act or omission is not successfully refuted by you within 30 days after written notification thereof to you by the Company;

(c) your plea of guilty or *nolo contendere* to or conviction of a felony under the laws of the United States or any state thereof or any other plea or confession of a similar crime in a jurisdiction in which the Company conducts business; or

(d) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements.

A "**Change in Control**" shall be deemed to have occurred if any of the following conditions shall have been satisfied:

(a) any one person or more than one person acting as a group (as determined under Section 409A), other than (i) any employee plan established by the Company, (ii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by stockholders of MSCI in substantially the same proportions as their ownership of MSCI, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of MSCI (not including in the securities beneficially owned by such person(s) any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 30% or more of the total voting power of the stock of MSCI; *provided* that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (c) below;

(b) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the "**Existing Board**") cease for any reason to constitute at least 50% of the Board; *provided*, *however*, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by MSCI's stockholders, was approved by a vote of at least a majority of the directors immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; and *provided, further, however,* that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be a member of the Existing Board;

(c) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of MSCI outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of MSCI's stock (or if the Company is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and *provided*, *further*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as determined under Section 409A) is or becomes the beneficial owner, directly or indirectly, of securities of MSCI (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding Shares or the combined voting power of MSCI's then-outstanding voting securities shall not be considered a Change in Control; or

(d) the sale or disposition by the Company of all or substantially all of the Company's assets in which any one person or more than one person acting as a group (as determined under Section 409A) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (1) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of MSCI common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (2) no event or circumstances described in any of clauses (a) through (d) above shall constitute a Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as defined in Section 409A. In addition, no Change in Control shall be deemed to have occurred upon the acquisition of additional control of the Company by any one person or more than one person acting as a group that is considered to effectively control the Company. In no event will a Change in Control be deemed to have occurred if you are part of a "group" within the meaning of Section 13(d)(3) of the Exchange Act that effects a Change in Control.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Committee**" means the Compensation Committee of the Board, any successor committee thereto or any other committee of the Board appointed by the Board with the powers of the Committee under the Plan, or any subcommittee appointed by such Committee; *provided*, *however*, that, for purposes of administering Section 4 with respect to awards granted to participants who are not officers or directors of the Company subject to Section 17(b) of the Exchange Act, the Committee may delegate its authority to the Company's Chief Executive Officer, Chief Human Resources Officer or Head of Compensation and Benefits.

"**Disability**" means (a) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) you, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, are receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

["**Full Career Retirement**" means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability).]

["**Full Career Retirement**" means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability) on or after the date that you attain the age of 55 and ten years of service with the Company (giving effect to credit for prior service with MSCI's Subsidiaries and affiliates, as applicable). For the avoidance of doubt, you will only receive credit for employment with entities which are MSCI's Subsidiaries and affiliates to the extent that you were an employee of such entity on the closing date of the applicable corporate transaction pursuant to which such entity became a Subsidiary or affiliate of MSCI and, in each case, you became an employee of MSCI (or one of its Subsidiaries) as of the closing date of such transaction.]

"**Good Reason**" means:

(a) any material diminution in your title, status, position, the scope of your assigned duties, responsibilities or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you prior to a Change in Control (including any such diminution resulting from a transaction in which the Company is no longer a public company);

(b) any reduction in your Total Reward that was in existence prior to a Change in Control (for purposes of this clause (b), Total Reward is comprised of your annual base salary, your annual bonus and the grant date fair value of your equity-based incentive compensation awards for the year prior to the year in which your termination of employment occurs);

(c) a relocation of more than 25 miles from the location of your principal job location or office prior to a Change in Control; or

(d) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company;

provided, that you provide the Company with written notice of your intent to terminate your employment for Good Reason within 90 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide the Company with at least 30 days following receipt of such notice to remedy such circumstances.

"**Governmental Employer**" means a federal governmental or executive branch department or agency.

"**Governmental Service Termination**" means the termination of your employment with the Company as a result of your accepting employment at a Governmental Employer and you provide MSCI with satisfactory evidence demonstrating that, as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI common stock is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Notice Requirements**" means prior written notice to MSCI of at least:

(a) 180 days if you are a member of the MSCI Executive Committee (or a successor or equivalent committee) at the time of notice of resignation; or

(b) 90 days if you are a Managing Director of the Company (or equivalent title) at the time of notice of resignation.

For the avoidance of doubt, employees working or residing outside of the United States may be subject to notice periods mandated under local labor or regulatory requirements which may differ from the Notice Requirements set forth above.

"**Section 409A**" means Section 409A of the Code.

APPENDIX 1

PERFORMANCE METRICS

APPENDIX 2

Designation of Beneficiary(ies) Under
MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan

This Designation of Beneficiary(ies) shall remain in effect with respect to all awards issued to me under any MSCI equity compensation plan, including any awards that may be issued to me after the date hereof, unless and until I modify or revoke it by submitting a later dated beneficiary designation. This Designation of Beneficiary(ies) supersedes all my prior beneficiary designations with respect to all my equity awards.

I hereby designate the following beneficiary(ies) to receive any survivor benefits with respect to all my equity awards:

	Beneficiary(ies) Name(s)	Relationship	Percentage
(1)			
(2)			

Address(es) of Beneficiary(ies):

(1)
(2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

	Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)			
(2)			

Address(es) of Contingent Beneficiary(ies):

(1)
(2)

Name: (please print) Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

EXHIBIT B

RESTRICTIVE COVENANTS

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Award Agreement.

Section 1. Confidential Information; Assignment of Inventions. (a) During your employment or service with the Company and at all times thereafter, you agree to keep secret and retain in strictest confidence and trust for the sole benefit of the Company, and shall not disclose, directly or indirectly, or use for your benefit or the benefit of others, without the prior written consent of the Company, any Confidential Information. For purposes of this Exhibit B and the Award Agreement, "**Confidential Information**" shall mean all proprietary or confidential matters or trade secrets of, and confidential and competitively valuable information concerning, the Company (whether or not such information is in written form). Without limiting the generality of the foregoing, Confidential Information shall include: information concerning organization and operations, business and affairs; formulae, processes, technical data; "know-how"; flow charts; computer programs and computer software; access codes or other systems of information; algorithms; technology and business processes; business, product or marketing plans or strategies; sales and other forecasts; financial information or financing/financial projections; lists of clients or customers or potential clients or customers; details of client or consultant contracts; supplier or vendor lists or arrangements; business acquisition or disposition plans; employee information, new personnel acquisition plans and information relating to compensation and benefits; budget information and procedures; research products; research and development; all data, concepts, ideas, findings, discoveries, developments, programs, designs, inventions, improvements, methods, practices and techniques, whether or not patentable, relating to present or planned future activities or products or services; and public information that becomes proprietary as a result of the Company's compilation of that information for use in its business; *provided*, *however*, that the Confidential Information shall in no event include (x) any Confidential Information which was generally available to the public at the time of disclosure by you or (y) any Confidential Information which becomes publicly available other than as a consequence of the breach by you of your confidentiality obligations hereunder or under any other confidentiality agreement you have entered into with the Company, if any. In the event of a termination of your employment or service with the Company for any reason, you shall deliver to MSCI all documents and data pertaining to the Confidential Information and shall not take with you any documents or data of any kind or any reproductions (in whole or in part) or extracts of any items relating to the Confidential Information. Nothing contained in this Section 1 of this Exhibit B shall prohibit you from disclosing Confidential Information if such disclosure is required by law, governmental process or valid legal process. Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protections of applicable law and/or participating in a governmental investigation, in the event that you are legally compelled to disclose any of the Confidential Information, you shall provide MSCI with prompt written notice so that MSCI, at its sole cost and expense, may seek a protective order or other appropriate remedy or waive compliance with the provisions of this

Section 1 of this Exhibit B. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this Section 1, you shall furnish only that portion of the Confidential Information that you in good faith believe is legally required to be disclosed. In addition to the foregoing, and subject to the second preceding sentence, you hereby agree to comply with the requirements of any and all agreements that you have entered into, or may in the future enter into, with the Company with respect to the use or disclosure of confidential or proprietary information of the Company.

(b) All rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark or reduced to writing, that you may discover, invent or originate during your employment or service with the Company or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company (collectively, "**Inventions**"), shall be the exclusive property of the Company, and you hereby irrevocably assign all right, title and interest in and to all Inventions to the Company. You shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and shall assist the Company, at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. You hereby appoint the Company as your attorney-in-fact to execute on your behalf any assignments or other documents deemed necessary by the Company to protect or perfect its rights to any Inventions.

Section 2. Non-Compete. During your employment or service with the Company and for a period of one year following the termination of your employment or service with the Company for any reason (the "**Non-Compete Restricted Period**"), you shall not, without the consent of the Company, directly or indirectly, provide services to, accept employment with, be a consultant or advisor to, form, lend financial support to, own any interest in (other than shares of a publicly traded company that represent less than 1% of the outstanding shares) or otherwise enter into any arrangement with, or engage in any activity for or on behalf of, any person, entity or business in competition with the MSCI Business (the "**Competing Business**"); *provided*, *however*, that the foregoing will not prohibit you from accepting or beginning employment with any company that, as part of its overall business model, engages in one or more of the Competing Businesses, *provided* that you (x) do not directly provide assistance to any of the Competing Businesses in the form of day-to-day responsibility for any aspect of the operation, supervision, compliance or regulation of any of the Competing Businesses or (y) provide only administrative, non-operational assistance to any such Competing Business and it is an immaterial part of such company's overall business. For purposes of this Exhibit B and the Award Agreement, "**MSCI Business**" means any business engaged in, contemplated or actively planned by the Company as of the date of your termination of employment that you were actively providing services to such line of business during your employment with MSCI.

Section 3. Non-Solicit and No-Hire. During your employment or service with the Company and for a period of two years following the termination of your employment or service with the Company for any reason (the "**Non-Solicit Restricted Period**"), you shall not, directly or indirectly, (a) solicit or encourage any employee of the Company to terminate his or her employment with the Company, (b) hire any employee of the Company prior to the date on which such person has not been employed by the Company or any of its Subsidiaries for a period of at least one year or (c) induce or attempt to induce any customer, client, supplier, vendor, licensee or other business relationship of the Company to cease doing or reduce their business with the Company, or in any way interfere with the relationship between the Company and any customer, client, supplier, licensee or other business relationship of the Company.

Section 4. Non-Disparagement. At all times during your employment or service with the Company and after termination of your employment or service with the Company for any reason, you will not knowingly make any statement, written or oral, that would disparage the business or reputation of the Company or its officers, managers, directors or employees. It will not be a violation of this Section 4 for you to make truthful statements, under oath, as required by law, to a governmental entity or law enforcement agency or as part of a litigation or administrative agency proceeding.

Section 5. Certain Remedies. You acknowledges that the terms of this Exhibit B are reasonable and necessary in light of your unique position, responsibility and knowledge of the operations of the Company and the unfair advantage that your knowledge and expertise concerning the business of the Company would afford a competitor of the Company and are not more restrictive than necessary to protect the legitimate interests of the Company. If the final judgment of a court of competent jurisdiction, or any final non-appealable decision of an arbitrator in connection with a mandatory arbitration, declares that any term or provision of this Exhibit B or the Award Agreement is invalid or unenforceable, the parties agree that the court or arbitrator making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Exhibit B and the Award Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed. You acknowledge that the Company and its shareholders would be irreparably harmed by any breach of this Exhibit B and that there would be no adequate remedy at law or in damages to compensate the Company and its shareholders for any such breach. You agree that MSCI shall be entitled to injunctive relief, without having to post bond or other security, requiring specific performance by you of your obligations in this Exhibit B in addition to any other remedy to which the Company is entitled at law or in equity, and you consent to the entry thereof. You agree that the Non-Compete Restricted Period and the Non-Solicit Restricted Period, as applicable, shall be extended by any and all periods during which you are in breach of this Exhibit B.

EXHIBIT [C]

COUNTRY-SPECIFIC TERMS AND CONDITIONS

Exhibit 10.101

AWARD AGREEMENT
FOR RESTRICTED STOCK UNITS
FOR EXECUTIVE OFFICERS
UNDER THE MSCI INC. 2007 AMENDED AND RESTATED EQUITY INCENTIVE COMPENSATION PLAN

MSCI Inc. ("**MSCI**," together with its Subsidiaries, the "**Company**") hereby grants to you Restricted Stock Units ("**RSUs**") as described below. The awards are being granted under the MSCI Inc. 2007 Amended and Restated Equity Incentive Compensation Plan (as may be amended from time to time, the "**Plan**").

Participant:	[Name]
Number of RSUs Granted:	[#] RSUs
Grant Date:	[●] (the "**Grant Date**")
Vesting Schedule:	Subject to your continued employment through the applicable Vesting Dates (as defined in Exhibit A attached hereto) or as otherwise set forth herein, your RSUs shall vest in three annual installments in the amounts set forth in Exhibit A, beginning on the first anniversary of the Grant Date and continuing on each of the following two anniversaries thereof.

Your RSUs may be subject to forfeiture or recoupment if you terminate employment with the Company or do not comply with the notice requirements, as set forth in the Plan and this Restricted Stock Unit Award Agreement (including Exhibit A[, Exhibit B and Exhibit C] attached hereto, this "**Award Agreement**"). [As of the Grant Date, you are Full Career Retirement eligible (as defined in Exhibit A attached hereto), subject to the terms of this Award Agreement.]

You agree that this Award Agreement is granted under the Plan and governed by the terms and conditions of the Plan and Exhibit A[, Exhibit B and Exhibit C] attached hereto. [You also agree that RSUs granted to you pursuant to this Award Agreement and any Shares issued in settlement or satisfaction thereof are subject to the MSCI Clawback Policy.] You will be able to access a prospectus and tax supplement that contains important information about this award via the MSCI website or your brokerage account. Unless defined in this Award Agreement, capitalized terms shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, MSCI has duly executed and delivered this Award Agreement as of the Grant Date.

MSCI Inc.

____
Name:
Title:

EXHIBIT A

TERMS AND CONDITIONS

OF THE 2016 RESTRICTED STOCK UNIT AWARD AGREEMENT

Section 1. RSUs Generally. MSCI has awarded you RSUs as an incentive for you to continue to provide services to the Company and to align your interests with those of the Company. As such, you will earn your RSUs for 2016 only if you remain in continuous employment with the Company through the applicable Vesting Dates, or as otherwise set forth below. Each RSU corresponds to one share of MSCI common stock, par value $0.01 per share (each, a "**Share**"). Each RSU constitutes a contingent and unsecured promise by MSCI to deliver one Share on the conversion date for such RSU.

Section 2. Vesting, Conversion and HSR Act.

(a) *Vesting*. Your RSUs shall vest [●] (each, a "**Vesting Date**"); *provided* that, subject to Section 4 and Section 5, you continue to be employed by the Company on each such Vesting Date; *provided*, *further*, that you have complied with all applicable provisions of the HSR Act.

(b) *Conversion*. Vested RSUs shall convert into Shares on the Vesting Date or as soon as reasonably practicable, but in no event later than 30 days thereafter.

(c) *HSR Act.* If unvested RSUs would have vested pursuant to this Section 2 or Section 4, but did not vest solely because you were not in compliance with all applicable provisions of the HSR Act, subject to Section 409A, the vesting date for such RSUs shall occur on the first date following the date on which you have complied with all applicable provisions of the HSR Act.

Section 3. Dividend Equivalent Payments. Until your RSUs convert to Shares, if MSCI pays a dividend on Shares, you will be entitled to a dividend equivalent payment in the same amount as the dividend you would have received if you held Shares for your vested and unvested RSUs immediately prior to the record date. No dividend equivalents will be paid to you with respect to any canceled or forfeited RSUs. MSCI will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof, unless otherwise provided in Exhibit [C]. MSCI will pay the dividend equivalent when it pays the corresponding dividend on its common stock or on the next regularly scheduled payroll date. The gross amount of any dividend equivalents paid to you with respect to RSUs that do not vest and convert to Shares shall be subject to potential recoupment or payback (such recoupment or payback of dividend equivalents, the "**Clawback**") following the cancellation or forfeiture of the underlying RSUs. You consent to the Company's implementation and enforcement of the Clawback and expressly agree that MSCI may take such actions as are necessary to effectuate the Clawback consistent with applicable law. If, within a reasonable period, you do not tender repayment of the dividend equivalents in response to demand for repayment, MSCI may seek a court order against you or take any other actions as are necessary to effectuate the Clawback.

Section 4. Termination of Employment Prior to Vesting Date.

Upon termination of employment with the Company prior to a Vesting Date pursuant to this Section 4, the following special vesting and payment terms will apply to your unvested RSUs:

(a) *Termination of Employment Due to Death or Disability*. If your employment with the Company terminates due to death or Disability, your RSUs will immediately vest and convert into Shares on the date of termination of your employment or within 30 days thereafter. Such Shares shall be delivered to the beneficiary(ies) you have designated pursuant to Section 10 or the legal representative of your estate, as applicable.

(b) *Involuntary Termination of Employment by the Company Prior to Full Career Retirement Eligibility*. In the event of an involuntary termination of your employment by the Company without Cause prior to Full Career Retirement eligibility, provided that you execute and do not revoke an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment, your RSUs will vest and convert into Shares within 60 days following such termination. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year.

(c) *Involuntary Termination of Employment by the Company Following Full Career Retirement Eligibility.* In the event of an involuntary termination of your employment by the Company without Cause following Full Career Retirement eligibility, provided that you execute and do not revoke an agreement and release of claims satisfactory to the Company within 60 days following termination of your employment, your RSUs will vest and convert into Shares at any time, in the discretion of the Committee, during the period commencing on (i) January 1 of the year following the year of termination and (ii) ending on the one-year anniversary of your termination of employment (or, if earlier, 15 days following the expiration of the Delay Period) (such period, the "**Settlement Period**"); *provided, however*, that in no event will your RSUs vest and convert into Shares at any time before January 1 of the year following the year of termination.

(d) *Full Career Retirement.* If your employment with the Company terminates due to Full Career Retirement, [*provided* you do not engage in Competitive Activity prior to the conversion date set forth in this Section 4(d),] your RSUs will vest and convert into Shares at any time, in the discretion of the Committee, during the Settlement Period; *provided*, *however*, that in no event will your RSUs vest and convert into Shares at any time before January 1 of the year following the year of termination. [If your employment with the Company terminates due to Full Career Retirement your RSUs will vest and convert into Shares at any time, in the discretion of the Committee, during the Settlement Period; *provided*, *however*, that in no event will your RSUs vest and convert into Shares at any time before January 1 of the year following the year of termination. In the event you engage in Competitive Activity, you will forfeit any RSUs outstanding as of the date of your Full Career Retirement. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not engaged in Competitive Activity.]

(e) *Governmental Service Termination.* If your employment with the Company terminates in a Governmental Service Termination, to the extent permitted under Section 409A, your RSUs will vest and convert into Shares on the date of such termination or within 60 days thereafter.

(f) *Other Resignations from Employment*. All other resignations from employment must comply with the Notice Requirements.

(i) If you resign from your employment with the Company under circumstances which are not in accordance with the provisions above in this Section 4, you will forfeit any RSUs that have not vested as of your last day of employment with the Company; and

(ii) If, prior to a Vesting Date, you give MSCI notice of your intention to resign from your employment with the Company as of a date following such Vesting Date, your RSUs will vest and settle in accordance with Section 2; *provided, however*, that if you do not subsequently comply with the Notice Requirements, the Committee may, in its discretion, require that the gross cash value of the RSUs delivered to you in accordance with this Section 4(f)(ii) be subject to recoupment or payback.

For the avoidance of doubt, (A) revocation of a notice of intention to resign may, in the Company's sole discretion or if required to comply with Section 409A, be deemed to be noncompliant with the Notice Requirements and, in connection with such revocation, your RSUs may be forfeited and (B) if, after you have given notice of your intention to resign or retire, as applicable, from your employment with the Company, the Company involuntarily terminates your employment without Cause prior to the expiration of your notice period, your outstanding RSUs will be treated in accordance with Sections 4(b) or 4(c), as applicable.

Notwithstanding anything to the contrary contained herein, the unvested RSUs shall only vest pursuant to this Section 4 provided that you have complied with all applicable provisions of the HSR Act.

Section 5. Change in Control.

(a) *General.* In the event of a Change in Control, the Committee, in its sole discretion, may provide for (i) the continuation or assumption of your outstanding RSUs under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent, in which case your RSUs will continue to be subject to the terms of this Award Agreement, or (ii) the lapse of restrictions relating to and the settlement of your outstanding RSUs immediately prior to such Change in Control in the event a buyer will not continue or assume the RSUs. Following a Change in Control in which your outstanding RSUs are continued or assumed pursuant to clause (i) above, such RSUs may be settled in cash, stock or a combination thereof.

(b) *Qualifying Termination.* In the event of a Qualifying Termination (as defined below), your RSUs will vest and convert into Shares within 60 days following such Qualifying Termination. If such 60-day period begins in one taxable year and ends in a subsequent taxable year, such vesting and conversion shall occur in the second taxable year. "**Qualifying Termination**" means a termination of employment by the Company without Cause or by you for Good Reason (which shall be deemed an involuntary termination of employment by the Company without Cause), in each case within 24 months following the effective date of the Change in Control in which the RSUs are continued or assumed.

Section 6. Restrictive Covenants. In consideration of the grant of RSUs under this Award Agreement, and in consideration for all other awards granted by the Company to you under the Plan, you agree to be bound by, and to comply with, the restrictive covenants set forth in Exhibit B to this Award Agreement (collectively, the "**Restrictive Covenants**"). In the event you violate any of the Restrictive Covenants (a) prior to or on any applicable Vesting Date, you will forfeit the RSUs outstanding as of the date of such violation or (b) after the final Vesting Date, but prior to or on the expiry date of the Restrictive Covenants (as set forth in Exhibit B to this Award Agreement), you will promptly deliver to the Company all Shares acquired upon conversion of the RSUs (or, to the extent you no longer hold such Shares, you will pay to the Company an amount on a gross basis equal to the Fair Market Value of any such Shares on the date the Shares were delivered to you). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not violated any of the Restrictive Covenants.

Section 7. Cancellation of Awards. Notwithstanding any other terms of this Award Agreement, your RSUs will be canceled prior to conversion in the event of any Cancellation Event. You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that no Cancellation Event has occurred. If you fail to submit a timely certification or evidence, MSCI will cancel your award. Except as explicitly provided in Section 4, upon a termination of your employment by you or by the Company for any reason, any of your RSUs that have not vested pursuant to Section 2 as of the date of your termination of employment with the Company will be canceled and forfeited in full as of such date.

Section 8. Tax and Other Withholding Obligations. Pursuant to rules and procedures that MSCI establishes (including those set forth in Section 16(a) of the Plan), tax or other withholding obligations arising upon vesting and conversion (as applicable) of your RSUs may be satisfied, in MSCI's sole discretion, by having MSCI withhold Shares, tendering Shares or by having MSCI withhold cash if MSCI provides for a cash withholding option, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the Fair Market Value of the Shares on the date your RSUs convert. In order to comply with applicable accounting standards or the Company's policies in effect from time to time, MSCI may limit the amount of Shares that you may have withheld or that you may tender. You acknowledge that, if you are subject to Tax-Related Items (as defined below) in more than one jurisdiction, the Company (including any former employer) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Section 9. Nontransferability. You may not sell, pledge, hypothecate, assign or otherwise transfer your RSUs, other than as provided in Section 10 or by will or the laws of descent and distribution or otherwise as provided for by the Committee.

Section 10. Designation of a Beneficiary. If you reside in the United States, you may make a written designation of a beneficiary or beneficiaries to receive all or part of the Shares to be paid under this Award Agreement in the event of your death. To make a beneficiary designation, you must complete and file the form attached hereto as Appendix 1 with your personal tax or estate planning representative. Any Shares that become payable upon your death, and as to which a designation of beneficiary is not in effect, will be distributed to your estate. You may replace or revoke your beneficiary designation at any time. If there is any question as to the legal right of any beneficiary(ies) to receive Shares under this award, MSCI may determine in its sole discretion to deliver the Shares in question to your estate. MSCI's determination shall be binding and conclusive on all persons, and it will have no further liability to anyone with respect to such Shares.

Section 11. Ownership and Possession. Except as set forth herein, you will not have any rights as a stockholder in the Shares corresponding to your RSUs prior to conversion of your RSUs.

Section 12. Securities Law Compliance Matters. MSCI may, if it determines it is appropriate, affix any legend to the stock certificates representing Shares issued upon conversion of your RSUs and any stock certificates that may subsequently be issued in substitution for the original certificates. MSCI may advise the transfer agent to place a stop order against such Shares if it determines that such an order is necessary or advisable.

Section 13. Compliance with Laws and Regulations. Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your RSUs (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges, associations or other institutions with which MSCI has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

Section 14. No Entitlements.

(a) *No Right to Continued Employment*. This RSU award is not an employment agreement, and nothing in this Award Agreement or the Plan shall alter your status as an "at-will" employee of the Company.

(b) *No Right to Future Awards*. This award, and all other awards of RSUs and other equity-based awards, are discretionary. This award does not confer on you any right or entitlement to receive another award of RSUs or any other equity-based award at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of RSUs hereunder, for which you have no current entitlement.

(c) *No Effect on Future Employment Compensation*. MSCI has made this award to you in its sole discretion. This award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, this award is not part of your base salary or wages and will not be taken into account in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Section 15. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

Section 16. Consents under Local Law. Your award is conditioned upon the making of all filings and the receipt of all consents or authorizations required to comply with, or to be obtained under, applicable local law.

Section 17. Award Modification and Section 409A.

(a) *Modification.* MSCI reserves the right to modify or amend unilaterally the terms and conditions of your RSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of MSCI. MSCI may not modify your RSUs in a manner that would materially impair your rights in your RSUs without your consent; *provided, however*, that MSCI may, without your consent, amend or modify your RSUs in any manner that MSCI considers necessary or advisable to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to ensure that your RSUs are not subject to tax prior to payment. MSCI will notify you of any amendment of your RSUs that affects your rights. Any amendment or waiver of a provision of this Award Agreement (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Chief Human Resources Officer, the Chief Administrative Officer, the Chief Financial Officer or the General Counsel (or if such positions no longer exist, by the holders of equivalent positions) to be effective.

(b) *Section 409A.*

(i) You understand and agree that all payments made pursuant to this Award Agreement are intended to be exempt and/or comply with Section 409A, and shall be interpreted on a basis consistent with such intent. For the avoidance of doubt, the Company makes no representations that the payments provided under this Award Agreement comply with Section 409A, and in no event will the Company be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

(ii) Notwithstanding the other provisions of this Award Agreement, to the extent necessary to comply with Section 409A, no conversion specified hereunder shall occur unless permissible under Section 409A. If MSCI considers you to be one of its “specified employees” and you are a U.S. taxpayer, in each case, at the time of your “separation from service” (as such terms are defined in the Code) from the Company, no conversion specified hereunder shall occur prior to the expiration of the six-month period measured from the date of your separation from service from the Company (such period, the “**Specified Employee Period**”). Any conversion of RSUs into Shares that would have occurred during the Specified Employee Period but for the fact that you are deemed to be a specified employee shall be satisfied either by (A) conversion of such RSUs into Shares on the first business day following the Specified Employee Period or (B) a cash payment on the first business day following the Specified Employee Period equal to the value of such RSUs on the scheduled conversion date (based on the value of the Shares on such date) plus accrued interest as determined by MSCI; *provided*, that to the extent this Section 17(b)(ii) is applicable, in the event that after the date of your separation from service from the Company you (X) die or (Y) accept employment at a Governmental Employer and provide MSCI with satisfactory evidence demonstrating that as a result of such new employment the divestiture of your continued interest in MSCI equity awards or continued ownership of the Shares is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer, any conversion or payment delayed pursuant to this Section 17(b)(ii) shall occur or be made immediately. For the avoidance of doubt, any determination as to form of payment provided in this Section 17(b)(ii) will be in the sole discretion of MSCI.

(iii) For purposes of any provision of this Award Agreement providing for the payment of any amounts of nonqualified deferred compensation upon or following a termination of employment from the Company, references to your “termination of employment” (and corollary terms) shall be construed to refer to your “separation from service” from the Company.

(iv) MSCI reserves the right to modify the terms of this Award Agreement, including, without limitation, the payment provisions applicable to your RSUs, to the extent necessary or advisable to comply with Section 409A and reserves the right to make any changes to your RSU award so that it does not become subject to Section 409A or become subject to a Specified Employee Period.

Section 18. Severability. In the event MSCI determines that any provision of this Award Agreement would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your award, then such provision will be considered null and void, and this Award Agreement will be construed and enforced as if the provision had not been included in this Award Agreement as of the date such provision was determined to cause you to be in constructive receipt of any portion of your award.

Section 19. Successors. This Award Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Agreement or the Plan.

Section 20. Governing Law; Venue. This Award Agreement and the related legal relations between you and the Company will be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the award to the substantive law of another jurisdiction. For purposes of litigating any dispute that arises under this grant or the Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

Section 21. Rule of Construction for Timing of Conversion. With respect to each provision of this Award Agreement that provides for your RSUs to convert to Shares on a specified event or date, such conversion will be considered to have been timely made, and neither you nor any of your beneficiaries or your estate shall have any claim against the Company for damages based on a delay in payment, and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as payment is made by December 31 of the year in which the applicable vesting date or such other specified event or date occurs, or if later, by March 15th of the year following such specified event or date.

Section 22. Non-U.S. Participants. The following provisions will apply to you if you reside or work outside of the United States. For the avoidance of doubt, if you reside or work in the United States and subsequently relocate to another country after the Grant Date, or if you reside in another country and subsequently relocate to the United States after the Grant Date, the following provisions may apply to you to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for tax, legal or administrative reasons.

(a) *Termination of Employment*. Unless otherwise provided in Section 4, your employment relationship will be considered terminated as of the date you are no longer actively providing services to the Company (whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and such date will not be extended by any notice period (*i.e.*, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

(b) *Tax and Other Withholding Obligations*. You acknowledge that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("**Tax-Related Items**") is and remains your responsibility and may exceed the amount actually withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividend equivalents and/or dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

In the event that withholding in and/or tendering Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the RSUs, you authorize and direct MSCI and any brokerage firm determined acceptable to MSCI to sell on your behalf a whole number of Shares from those Shares issued to you as MSCI determines to be appropriate to generate cash proceeds sufficient to satisfy the obligation for Tax-Related Items. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the stock equivalent.

Finally, you agree to pay to the Company, including through withholding from your wages or other cash compensation paid to you by MSCI and/or your employer, any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. MSCI may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

(c) *Nature of Grant*. In accepting the RSUs, you acknowledge, understand and agree that:

(i) the Plan is established voluntarily by MSCI, it is discretionary in nature and it may be modified, amended, suspended or terminated by MSCI at any time, to the extent permitted by the Plan;

(ii) this RSU award is not an employment or service agreement, and nothing in this Award Agreement or your participation in the Plan shall create a right to continued employment with the Company or interfere with the ability of the Company to terminate your employment or service relationship (if any);

(iii) this award, and all other awards of RSUs and other equity-based awards, are exceptional, discretionary, voluntary and occasional. This award does not confer on you any contractual or other right or entitlement to receive another award of RSUs, any other equity-based award or benefits in lieu of RSUs at any time in the future or in respect of any future period. You agree that any release required under Section 4 of this Award Agreement is in exchange for the grant of RSUs hereunder, for which you have no current entitlement;

(iv) MSCI has made this award to you in its sole discretion. All decisions with respect to future RSU or other grants, if any, will be at the sole discretion of MSCI;

(v) you are voluntarily participating in the Plan;

(vi) the grant of RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;

(vii) this award does not confer on you any right or entitlement to receive compensation in any specific amount. In addition, the RSUs and the Shares subject to the RSUs, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, or any Subsidiary;

(viii) unless otherwise agreed with MSCI, the RSUs and the Shares subject to the RSUs, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of a Subsidiary;

(ix) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your employment relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and

(xi) you acknowledge and agree that the Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the U.S. Dollar that may affect the value of the RSU or of any amounts due to you pursuant to the settlement of the RSU or the subsequent sale of any Shares acquired upon settlement.

(d) ***Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other RSU grant materials by and among, as applicable, MSCI and any Subsidiary for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in MSCI, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to E*Trade Financial Corporate Services, Inc., or such other stock plan service provider as may be selected by MSCI in the future, which is assisting MSCI with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local Human Resources representative. You authorize MSCI, E*Trade Financial Corporate Services, Inc., and any other possible recipients which may assist MSCI (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing your consent is that MSCI would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.

(e) *Language*. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(f) *Electronic Delivery and Acceptance*. MSCI may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by MSCI or a third party designated by MSCI.

(g) *Exhibit [C]*. Notwithstanding any provisions in this Award Agreement, the RSUs shall be subject to any special terms and conditions set forth in Exhibit [C] to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in Exhibit [C], the special terms and conditions for such country will apply to you, to the extent MSCI determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit [C] constitutes part of this Award Agreement.

(h) *Insider Trading Restrictions/Market Abuse Laws*. You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that you are responsible for ensuring compliance with any applicable restrictions, and you should consult your personal legal advisor on this matter.

Section 23. Defined Terms. For purposes of this Award Agreement, the following terms shall have the meanings set forth below:

"**Board**" means the Board of Directors of MSCI.

A "**Cancellation Event**" will be deemed to have occurred under any one of the following circumstances:

(a) misuse of Confidential Information (as defined in Exhibit B to this Award Agreement) or failure to comply with your obligations under MSCI's Code of Conduct or otherwise with respect to Confidential Information;

(b) termination from the Company for Cause (or a later determination that you could have been terminated for Cause; *provided* that such determination is made within six months of termination); or

(c) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company's financial statements;

“**Cause**” means:

(a) any act or omission which constitutes a material willful breach of your obligations to the Company or your continued and willful refusal to substantially perform satisfactorily any duties reasonably required of you, which results in material injury to the interest or business reputation of the Company and which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to physical or mental illness) within 30 days after written notification thereof to you by the Company; *provided* that no act or failure to act on your part shall be deemed willful unless done or omitted to be done by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company;

(b) your commission of any dishonest or fraudulent act, or any other act or omission with respect to the Company, which has caused or may reasonably be expected to cause a material injury to the interest or business reputation of the Company and which act or omission is not successfully refuted by you within 30 days after written notification thereof to you by the Company;

(c) your plea of guilty or *nolo contendere* to or conviction of a felony under the laws of the United States or any state thereof or any other plea or confession of a similar crime in a jurisdiction in which the Company conducts business; or

(d) your commission of a fraudulent act or participation in misconduct which leads to a material restatement of the Company’s financial statements.

A “**Change in Control**” shall be deemed to have occurred if any of the following conditions shall have been satisfied:

(a) any one person or more than one person acting as a group (as determined under Section 409A), other than (i) any employee plan established by the Company, (ii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by stockholders of MSCI in substantially the same proportions as their ownership of MSCI, is or becomes, during any 12-month period, the beneficial owner, directly or indirectly, of securities of MSCI (not including in the securities beneficially owned by such person(s) any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 30% or more of the total voting power of the stock of MSCI; *provided* that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (c) below;

(b) a change in the composition of the Board such that, during any 12-month period, the individuals who, as of the beginning of such period, constitute the Board (the “**Existing Board**”) cease for any reason to constitute at least 50% of the Board; *provided*, *however*, that any individual becoming a member of the Board subsequent to the beginning of such period whose election, or nomination for election by MSCI's stockholders, was approved by a vote of at least a majority of the directors immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; and *provided, further, however*, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be a member of the Existing Board;

(c) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company pursuant to applicable stock exchange requirements; *provided* that immediately following such merger or consolidation the voting securities of MSCI outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of MSCI's stock (or if the Company is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as determined under Section 409A) is or becomes the beneficial owner, directly or indirectly, of securities of MSCI (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding Shares or the combined voting power of MSCI's then-outstanding voting securities shall not be considered a Change in Control; or

(d) the sale or disposition by the Company of all or substantially all of the Company's assets in which any one person or more than one person acting as a group (as determined under Section 409A) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (1) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of MSCI common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (2) no event or circumstances described in any of clauses (a) through (d) above shall constitute a Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as defined in Section 409A. In addition, no Change in Control shall be deemed to have occurred upon the acquisition of additional control of the Company by any one person or more than one person acting as a group that is considered to effectively control the Company. In no event will a Change in Control be deemed to have occurred if you are part of a "group" within the meaning of Section 13(d)(3) of the Exchange Act that effects a Change in Control.

Terms used in the definition of a Change in Control shall be as defined or interpreted pursuant to Section 409A.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Committee**" means the Compensation Committee of the Board, any successor committee thereto or any other committee of the Board appointed by the Board with the powers of the Committee under the Plan, or any subcommittee appointed by such Committee; *provided*, *however*, that, for purposes of administering Section 4 with respect to awards granted to participants who are not officers or directors of the Company subject to Section 17(b) of the Exchange Act, the Committee may delegate its authority to the Company's Chief Executive Officer, Chief Human Resources Officer or Head of Compensation and Benefits.

"**Delay Period**" means the period beginning on the date of any non-compete restriction to which you are subject (including any such restriction under this Award Agreement) and ending on the expiration date of such non-compete restriction, as reduced by the length of any voluntary notice period that you give to the Company and serve. For the avoidance of doubt, nothing contained in this Award Agreement reduces, or intends to reduce, the length of any non-compete restriction to which you are subject following termination of your employment.

"**Disability**" means (a) you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (b) you, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, are receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

["**Full Career Retirement**" means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability).]

[”**Full Career Retirement**” means a termination of employment with the Company (other than (x) under circumstances involving any Cancellation Event (other than the required notice periods) or (y) due to your death or Disability) on or after the date that you attain the age of 55 and ten years of service with the Company (giving effect to credit for prior service with MSCI’s Subsidiaries and affiliates, as applicable). For the avoidance of doubt, you will only receive credit for employment with entities which are MSCI’s Subsidiaries and affiliates to the extent that you were an employee of such entity on the closing date of the applicable corporate transaction pursuant to which such entity became a Subsidiary or affiliate of MSCI and, in each case, you became an employee of MSCI (or one of its Subsidiaries) as of the closing date of such transaction.]

“**Good Reason**” means:

(a) any material diminution in your title, status, position, the scope of your assigned duties, responsibilities or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you prior to a Change in Control (including any such diminution resulting from a transaction in which the Company is no longer a public company);

(b) any reduction in your Total Reward that was in existence prior to a Change in Control (for purposes of this clause (b), Total Reward is comprised of your annual base salary, your annual bonus and the grant date fair value of your equity-based incentive compensation awards for the year prior to the year in which your termination of employment occurs);

(c) a relocation of more than 25 miles from the location of your principal job location or office prior to a Change in Control; or

(d) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company;

provided, that you provide the Company with written notice of your intent to terminate your employment for Good Reason within 90 days of your becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which you are relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision) and that you provide the Company with at least 30 days following receipt of such notice to remedy such circumstances.

“**Governmental Employer**” means a federal governmental or executive branch department or agency.

“**Governmental Service Termination**” means the termination of your employment with the Company as a result of your accepting employment at a Governmental Employer and you provide MSCI with satisfactory evidence demonstrating that, as a result of such new employment, the divestiture of your continued interest in MSCI equity awards or continued ownership in MSCI common stock is reasonably necessary to avoid the violation of U.S. federal, state or local, foreign ethics or conflicts of interest law applicable to you at such Governmental Employer.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Notice Requirements**" means prior written notice to MSCI of at least:

(a) 180 days if you are a member of the MSCI Executive Committee (or a successor or equivalent committee) at the time of notice of resignation;

(b) 90 days if you are a Managing Director of the Company (or equivalent title) at the time of notice of resignation;

(c) 60 days if you are an Executive Director of the Company (or equivalent title) at the time of notice of resignation;

(d) 30 days if you are a Vice President of the Company (or equivalent title) at the time of notice of resignation; or

(e) 14 days for all other employees of the Company.

For the avoidance of doubt, employees working or residing outside of the United States may be subject to notice periods mandated under local labor or regulatory requirements which may differ from the Notice Requirements set forth above.

"**Section 409A**" means Section 409A of the Code.

APPENDIX 1

Designation of Beneficiary(ies) Under
MSCI Inc. 2007 Amended and Restated
Equity Incentive Compensation Plan

This Designation of Beneficiary(ies) shall remain in effect with respect to all awards issued to me under any MSCI equity compensation plan, including any awards that may be issued to me after the date hereof, unless and until I modify or revoke it by submitting a later dated beneficiary designation. This Designation of Beneficiary(ies) supersedes all my prior beneficiary designations with respect to all my equity awards.

I hereby designate the following beneficiary(ies) to receive any survivor benefits with respect to all my equity awards:

	Beneficiary(ies) Name(s)	Relationship	Percentage
(1)			
(2)			

Address(es) of Beneficiary(ies):

(1)
(2)

Contingent Beneficiary(ies)

Please also indicate any contingent beneficiary(ies) and to which beneficiary(ies) above such interest relates.

	Beneficiary(ies) Name(s)	Relationship	Nature of Contingency
(1)			
(2)			

Address(es) of Contingent Beneficiary(ies):

(1)
(2)

Name: (please print) Date:

Signature

Please complete and file this form with your personal tax or estate planning representative.

EXHIBIT B

RESTRICTIVE COVENANTS

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Award Agreement.

Section 1. Confidential Information; Assignment of Inventions. (a) During your employment or service with the Company and at all times thereafter, you agree to keep secret and retain in strictest confidence and trust for the sole benefit of the Company, and shall not disclose, directly or indirectly, or use for your benefit or the benefit of others, without the prior written consent of the Company, any Confidential Information. For purposes of this Exhibit B and the Award Agreement, "**Confidential Information**" shall mean all proprietary or confidential matters or trade secrets of, and confidential and competitively valuable information concerning, the Company (whether or not such information is in written form). Without limiting the generality of the foregoing, Confidential Information shall include: information concerning organization and operations, business and affairs; formulae, processes, technical data; "know-how"; flow charts; computer programs and computer software; access codes or other systems of information; algorithms; technology and business processes; business, product or marketing plans or strategies; sales and other forecasts; financial information or financing/financial projections; lists of clients or customers or potential clients or customers; details of client or consultant contracts; supplier or vendor lists or arrangements; business acquisition or disposition plans; employee information, new personnel acquisition plans and information relating to compensation and benefits; budget information and procedures; research products; research and development; all data, concepts, ideas, findings, discoveries, developments, programs, designs, inventions, improvements, methods, practices and techniques, whether or not patentable, relating to present or planned future activities or products or services; and public information that becomes proprietary as a result of the Company's compilation of that information for use in its business; *provided*, *however*, that the Confidential Information shall in no event include (x) any Confidential Information which was generally available to the public at the time of disclosure by you or (y) any Confidential Information which becomes publicly available other than as a consequence of the breach by you of your confidentiality obligations hereunder or under any other confidentiality agreement you have entered into with the Company, if any. In the event of a termination of your employment or service with the Company for any reason, you shall deliver to MSCI all documents and data pertaining to the Confidential Information and shall not take with you any documents or data of any kind or any reproductions (in whole or in part) or extracts of any items relating to the Confidential Information. Nothing contained in this Section 1 of this Exhibit B shall prohibit you from disclosing Confidential Information if such disclosure is required by law, governmental process or valid legal process. Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protections of applicable law and/or participating in a governmental investigation, in the event that you are legally compelled to disclose any of the Confidential Information, you shall provide MSCI with prompt written notice so that MSCI, at its sole cost and expense, may seek a protective order or other appropriate remedy or waive compliance with the provisions of this

Section 1 of this Exhibit B. If such protective order or other remedy is not obtained, or if the Company waives compliance with the provisions of this Section 1, you shall furnish only that portion of the Confidential Information that you in good faith believe is legally required to be disclosed. In addition to the foregoing, and subject to the second preceding sentence, you hereby agree to comply with the requirements of any and all agreements that you have entered into, or may in the future enter into, with the Company with respect to the use or disclosure of confidential or proprietary information of the Company.

(b) All rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark or reduced to writing, that you may discover, invent or originate during your employment or service with the Company or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company (collectively, "**Inventions**"), shall be the exclusive property of the Company, and you hereby irrevocably assign all right, title and interest in and to all Inventions to the Company. You shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and shall assist the Company, at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. You hereby appoint the Company as your attorney-in-fact to execute on your behalf any assignments or other documents deemed necessary by the Company to protect or perfect its rights to any Inventions.

Section 2. Non-Compete. During your employment or service with the Company and for a period of one year following the termination of your employment or service with the Company for any reason (the "**Non-Compete Restricted Period**"), you shall not, without the consent of the Company, directly or indirectly, provide services to, accept employment with, be a consultant or advisor to, form, lend financial support to, own any interest in (other than shares of a publicly traded company that represent less than 1% of the outstanding shares) or otherwise enter into any arrangement with, or engage in any activity for or on behalf of, any person, entity or business in competition with the MSCI Business (the "**Competing Business**"); *provided*, *however*, that the foregoing will not prohibit you from accepting or beginning employment with any company that, as part of its overall business model, engages in one or more of the Competing Businesses, *provided* that you (x) do not directly provide assistance to any of the Competing Businesses in the form of day-to-day responsibility for any aspect of the operation, supervision, compliance or regulation of any of the Competing Businesses or (y) provide only administrative, non-operational assistance to any such Competing Business and it is an immaterial part of such company's overall business. For purposes of this Exhibit B and the Award Agreement, "**MSCI Business**" means any business engaged in, contemplated or actively planned by the Company as of the date of your termination of employment that you were actively providing services to such line of business during your employment with MSCI.

Section 3. Non-Solicit and No-Hire. During your employment or service with the Company and for a period of two years following the termination of your employment or service with the Company for any reason (the “**Non-Solicit Restricted Period**”), you shall not, directly or indirectly, (a) solicit or encourage any employee of the Company to terminate his or her employment with the Company, (b) hire any employee of the Company prior to the date on which such person has not been employed by the Company or any of its Subsidiaries for a period of at least one year or (c) induce or attempt to induce any customer, client, supplier, vendor, licensee or other business relationship of the Company to cease doing or reduce their business with the Company, or in any way interfere with the relationship between the Company and any customer, client, supplier, licensee or other business relationship of the Company.

Section 4. Non-Disparagement. At all times during your employment or service with the Company and after termination of your employment or service with the Company for any reason, you will not knowingly make any statement, written or oral, that would disparage the business or reputation of the Company or its officers, managers, directors or employees. It will not be a violation of this Section 4 for you to make truthful statements, under oath, as required by law, to a governmental entity or law enforcement agency or as part of a litigation or administrative agency proceeding.

Section 5. Certain Remedies. You acknowledges that the terms of this Exhibit B are reasonable and necessary in light of your unique position, responsibility and knowledge of the operations of the Company and the unfair advantage that your knowledge and expertise concerning the business of the Company would afford a competitor of the Company and are not more restrictive than necessary to protect the legitimate interests of the Company. If the final judgment of a court of competent jurisdiction, or any final non-appealable decision of an arbitrator in connection with a mandatory arbitration, declares that any term or provision of this Exhibit B or the Award Agreement is invalid or unenforceable, the parties agree that the court or arbitrator making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Exhibit B and the Award Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed. You acknowledge that the Company and its shareholders would be irreparably harmed by any breach of this Exhibit B and that there would be no adequate remedy at law or in damages to compensate the Company and its shareholders for any such breach. You agree that MSCI shall be entitled to injunctive relief, without having to post bond or other security, requiring specific performance by you of your obligations in this Exhibit B in addition to any other remedy to which the Company is entitled at law or in equity, and you consent to the entry thereof. You agree that the Non-Compete Restricted Period and the Non-Solicit Restricted Period, as applicable, shall be extended by any and all periods during which you are in breach of this Exhibit B.

EXHIBIT [C]

COUNTRY-SPECIFIC TERMS AND CONDITIONS

Exhibit 10.102

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00125855.0

AMENDMENT

Date of Amendment: February 4, 2015

AMENDMENT to the Index License Agreement for Funds (the "Agreement"), dated as of March 18, 2000, by and between MSCI Inc, (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors (as successor to Barclays Global Investors, NA.) ("Licensee"), as previously amended. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, pursuant to the terms of the Amendment (MSCI reference # AMD_00105603.0.0) between MSCI and Licensee dated December 10, 2013 (the "Previous Amendment") and the letter agreement (MSCI reference # AMD_00123218.0) between MSCI and Licensee dated March 18, 2014, MSCI granted Licensee the right to use the MSCI indexes identified below as the basis for the Licensee Funds identified below in the United States:

- iShares Currency Hedged MSCI Japan ETF, which seeks to track the investment results of the MSCI Japan 100% Hedged to USD Index.
- iShares Currency Hedged MSCI Germany ETF, which seeks to track the investment results of the MSCI Germany 100% Hedged to USD Index.
- iShares Currency Hedged MSCI EAFE ETF, which seeks to track the investment results of the MSCI EAFE 100% Hedged to USD Index.
- iShares Currency Hedged MSCI EMU ETF, which seeks to track the investment results of the MSCI EMU 100% Hedged to USD Index.
- iShares Currency Hedged MSCI Emerging Markets ETF, which seeks to track the investment results of the MSCI Emerging Markets 100% Hedged to USD Index.

(The term "Fund" as used herein shall have the meaning ascribed to it in the Previous Amendment)

WHEREAS, the parties wish to further amend the Agreement to allow for the cross-listing of the Licensee Funds identified above, as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Exhibit B of the Agreement is hereby amended to allow each Licensee Fund identified above to be listed and traded on the Mexican Stock Exchange (Bolsa Mexicana de Valores) (herein referred to as the "Mexican Listed Funds") after such Fund is listed on a United States exchange. All Mexican Listed Funds must be issued, sold and traded on a public basis in accordance with applicable Mexican securities law. All other terms and restrictions contained in Exhibit B of the Agreement shall apply to the Mexican Listed Funds. For the avoidance of doubt, ** shall apply with respect to all Mexican Listed Funds. For clarity, there shall be ********************************** from the Mexican Listed Funds shall be included in the *** **** **********************************.

2. This Amendment is intended to amend and operate in conjunction with the Agreement and together this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that any terms of this Amendment conflict with any terms of the Agreement, the terms of this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.

3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

LICENSEE: BlackRock Fund Advisors		MSCI INC.	
By	/s/ Paul C Lohrey	By	/s/ David Kinzelberg
Name	Paul C Lohrey (printed)	Name	David Kinzelberg (printed)
Title	Managing Director	Title	Executive Director

Exhibit 10.103

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00163614.0

AMENDMENT

Date of Amendment: February 25, 2015

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (MSCI reference number IXF_00040) dated as of March 18, 2000 (as previously amended, the "Agreement") is made by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

1. Exhibit A of the Agreement is hereby amended to add the following Indexes:

   - MSCI World ex USA Risk Weighted Index
   - MSCI World ex USA Enhanced Value Index

   Or such other indexes as agreed by Licensee and MSCI in writing.

2. Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Licensee fluids (each, a "World ex USA Factor ETF" and each World ex USA Factor ETF shall also be a "Fund" as such term is defined in the Agreement):

   - iShares MSCI International Developed Size Factor ETF
   - iShares MSCI International Developed Value Factor ETF

   Or such other names as agreed by Licensee and MSCI in writing.

   The World ex USA Factor ETFs shall be exchange traded Index funds listed on a national securities exchange located in the United States.

3. Licensee shall pay MSCI a *********** license fee per Fund based on ******************************** which fee shall be calculated and payable on a ***********. The *********** license fee shall be calculated *** *** as follows:

   ****
   ****
   ****

   For the avoidance of doubt, the *********** license fees shall be calculated ***********. For example, ** *** *** ********************************.

   "Expense Ratio" shall mean the *********** when dividing ********************************** ** **.

   Notwithstanding anything to the contrary contained herein, if any Fund *********** or if a Fund's ********************** or if a Fund has an ***********, the *********** licensee fee for such Fund shall **.

4. Special Conditions:

   a. To the extent that this Amendment conflicts with the Agreement, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment

b. MSCI may terminate this Amendment with respect to Indexes set forth in Section I if, within one (1) year of the date of this Amendment, Licensee does not list a World ex USA Factor ETF that is based on such Index.

c. If Licensee delists a particular World ex USA Factor ETF or changes the underlying Index for such World ex USA Factor ETF, Licensee's right to use the relevant Index set forth in Section 1 with respect to such World ex USA Factor ETF shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed In accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors

By	/s/ Manish Mehta
Name	Manish Mehta
Title	Managing Director
Date	8/20/2015

MSCI INC.

By	/s/ Alex Gil
Name	Alex Gil
Title	Executive Director
Date	Sep 30, 2015

Exhibit 10.104

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00165372

BlackRock Fund Advisors
Attention: Tim Meyer
400 Howard Street San
Francisco, California 94105

March 17, 2015

Dear Tim:

Reference is hereby made to the Amendment (MSCI reference: AMD_00105603.0) dated December 10, 2013 ("Amendment") to the Index License Agreement for Funds dated March 18, 2000 ("Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Institutional Trust Company, N.A. (formerly known as Barclays Global Investors, N.A.) ("Licensee"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Amendment or the Agreement, as the case may be.

MSCI and Licensee hereby agree to modify the Amendment as follows:

1. In Section 1 of the Amendment, the parties agree to add the following Indexes:

   - MSCI Australia 100% Hedged to USD Index
   - MSCI Korea 25 150 100% Hedged to USD Index
   - MSCI Mexico IMI 25/50 100% Hedged to USD Index
   - MSCI United Kingdom 100% Hedged to USD Index
   - MSCI Canada 100% Hedged to USD Index
   - MSCI Switzerland 25/50 100% Hedged to USD Index
   - MSCI Italy 25/50 100% Hedged to USD Index
   - MSCI Spain 25/50 100% Hedged to USD Index
   - MSCI ACWI 100% Hedged to USD Index
   - MSCI ACWI ex USA 100% Hedged to USD Index
   - MSCI EAFE Small-Cap 100% Hedged to USD Index

2. In Section 2 of the Amendment, the parties agree to add the following Hedged ETFs:

   - iShares Currency Hedged MSCI Australia ETF
   - iShares Currency Hedged MSCI South Korea Capped ETF
   - iShares Currency Hedged MSCI Mexico Capped ETF
   - iShares Currency Hedged MSCI United Kingdom ETF
   - iShares Currency Hedged MSCI Canada ETF
   - iShares Currency Hedged MSCI Switzerland Capped ETF
   - iShares Currency Hedged MSCI Italy Capped ETF
   - iShares Currency Hedged MSCI Spain Capped ETF
   - iShares Currency Hedged MSCI ACWI ETF
   - iShares Currency Hedged MSCI ACWI ex U.S. ETF
   - iShares Currency Hedged MSCI EAFE Small-Cap ETF

3. In the definition of *********** in Section 3(a) of the Amendment, the parties agree to add the following *********** for the corresponding *********** specified below:

****
****
****

The parties acknowledge that the Agreement was previously amended by, among other amendments, the Amendment. This letter modifies and operates in conjunction with the Previous Amendment and the Amendment. Together this letter, the Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties with respect to the subject matter hereof and supersede in full all prior proposals and understandings, oral or written, relating to such subject matter. To the extent that any terms of this letter conflict with any terms of the Amendment or the Agreement, the terms of this letter shall control. This letter shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

Please indicate your agreement with the foregoing by countersigning and returning a copy of this letter.

Very truly yours,

MSCI Inc.

By: /s/ Alex Gil
Name Alex Gil
Title: Executive Director

ACCEPTED AND AGREED:

BlackRock Institutional Trust Company, N.A.

By: /s/ Craig Zolan
Name Craig Zolan
Title: Managing Director

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00151505.0

AMENDMENT

Date of Amendment: April 20, 2015

AMENDMENT (this "Amendment" to the Index License Agreement for Funds (internal MSCI reference number DCF_00040) dated as of March 18, 2000 (as previously amended, the "Agreement" is made by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, MSCI owns rights in and to the Indexes listed in Section 1 below (the "Indexes")

WHEREAS, Licensee wishes to obtain a license to use the Indexes as the basis of the Licensee funds listed in Section 2 below;

WHEREAS, MSCI and Licensee have agreed that the license fees for Licensee's use of the Indexes as the basis of the Funds will be calculated *** ***;

WHEREAS, the parties must adjust the ********************************* of all Funds ********** due to the fact that one or more of the Funds may *********************************;

WHEREAS, each of the Funds may have a different *********** and, as a result, it is necessary for the parties to apply **;

WHEREAS, the parties must apply another ************************************* of all the Funds collectively due to the fact that one or more of the Funds may ** ****************; and

WHEREAS, due to the ************************************** of all the Funds ***********, it is necessary for the parties to *** of all the Funds ***********.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein, the parties agree as follows:

1. Exhibit A of the Agreement is hereby amended to add the following indexes (each, an "Index"):
   - MSCI ACWI Diversified Multi-Factor Index
   - MSCI Emerging Markets Diversified Multi-Factor Index
   - MSCI World ex USA Diversified Multi-Factor Index
   - MSCI World ex USA Small Cap Diversified Multi-Factor Index

   or such other indexes as agreed by Licensee and MSCI in writing.

2. Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Licensee funds (each, a "Multi-Factor ETF" and each Multi-Factor ETF shall also be a "Fund" as such term is defined in the Agreement):
   - iShares FactorSelect MSCI Global ETF
   - iShares FactorSelect MSCI Emerging ETF
   - iShares FactorSelect MSCI International ETF
   - iShares FactorSelect MSCI Intl Small-Cap ETF

   or such other names as agreed by Licensee and MSCI in writing.

The Multi-Factor ETFs shall be exchange traded index funds listed on a national securities exchange located in the United States.

3. Each ***********, Licensee shall pay MSCI a *********** license fee that is calculated for each applicable *********** in accordance with the *********** set forth in the table below and Section 3(a) below. In addition, the *********** license fee shall be subject to ** ***.

****
****

For the avoidance of doubt, the *********** license fees in the table above shall be calculated ***********. For example, ** ** ** ********************.

a. <u>****** and Calculation Periods</u>

If, in any ***********, no Multi-Factor ETF is (i) launched on any day other than the first calendar day of such *********** and/or (ii) terminated on any day other than the last calendar day of such ***********, then ** **.

If, in any ***********, any Multi-Factor ETF is (i) launched on any day other than the first calendar day of such *********** and/or (ii) terminated on any day other than the last *********** of such ***********, then the parties shall first determine the total number of ******************************. Then, the parties shall calculate the **. Next, the parties shall calculate the ** **. Finally, the parties shall calculate the total amount of all license fees of all *******************************.

b. <u>Qualified Expense Ratio</u>

To determine the Qualified Expense Ratio, the parties shall perform the following calculations in the following order:

****
****
****
****

For the avoidance of doubt, the parties agree that only one Qualified Expense Ratio shall be calculated in each applicable ***********.

c. <u>Definitions</u>

As used herein, the following capitalized terms shall have the meanings set forth below:

*********** means, for each Multi-Factor ETF individually, the total number of calendar days during any *********** when shares of such Multi-Factor ETF was offered or made available for purchase or sale to or by the general public via an exchange.

*********** means the total of the *** *********************.

"AUM" means the *********** individually in each applicable period over the applicable Active Days.

"Calculation Period" means each period of time within a *********** during which there was **.

"Double Weighted Value" means, for each Multi-Factor ETF individually, the number obtained by multiplying ** **********************.

"Expense Ratio" means, for each Multi-Factor ETF individually, the *********************************** when dividing ** **.

"Prorated *********** Value" means, for each Multi-Factor ETF individually, the number obtained by dividing **.

"Qualified Expense Ratio" means the number obtained by dividing ********************************** **.

"Total AUM" means the ** over all Active Days in each applicable *********** over the applicable ************************* ********************* **********.

"Total Days" means the total number of calendar days in each applicable ***********.

"Total Double Weighted Value" means, for each applicable ***********, the total of the *********************** of all Multi-Factor ETFs **********************.

"Total Prorated *********** Value" means, for each applicable ***********, the total of the *********** of all Multi-Factor ETFs ***********

"Total Weighting Adjustment" means, for each applicable ***********, the total of the *********** of all Multi-Factor ETFs ***********.

"Weighted AUM Factor" means, for each Multi-Factor ETF individually, the number obtained by dividing ** ***********.

"Weighted Average Expense Ratio" means, for each Multi-Factor ETF individually, the number obtained by multiplying ** ***.

"Weighted Prorating Factor" means, for each Multi-Factor ETF individually, the number obtained by dividing *** **.

"Weighted Adjustment" means, for each Multi-Factor ETF individually, the number obtained by multiplying *** **.

d. Special Notes

Notwithstanding anything to the contrary contained herein, if, at any time during any ****, a Multi-Factor ETF ** ** *** **.

Where necessary to align any relevant payment with the ***********. MSCI shall ********************************* applicable to any Multi-Factor ETF using a calculation method for such *********** that is reasonably determined by MSCI.

e. Reporting Requirements

Within *********** days after the close of each *********** during the term of this Amendment, Licensee shall provide to MSCI a written report identifying ** *** *** ** ***.

4. Special Conditions:

a. This Amendment is intended to amend and operate in conjunction with the Agreement, and together this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that this Amendment conflicts with the Agreement, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.

b. MSCI may terminate this Amendment with respect to any individual Index set forth in Section 1 if within two (2) years of the date on which MSCI first launches any one of the, Licensee does not list the relevant Multi-Factor ETF that is based on such Index. As used herein, “*********** means any one or more of ** *******************.

c. If Licensee delists any Multi-Factor ETF or changes the underlying Index for any Multi-Factor ETF, Licensee’s right to use the relevant Index set forth in Section 1 with respect to such Multi-Factor ETF shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

e. MSCI shall not ** any exchange traded fund listed in ********************** that is based on any ********************************* on which Licensee ***. Notwithstanding the foregoing, at any time after ** ********************** that is based on any or all of the ***********.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors		MSCI Inc.	
By	/s/ Patrick Dunne	By	/s/ Alex Gil
Name		Name	Alex Gil
Title		Title	Executive Director
Date		Date	May 13, 2015

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00156266.0

AMENDMENT

Date of Amendment: April 20, 2015

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (MSCI reference number IXF_00040) dated as of March 18, 2000 (as previously amended, the "Agreement" is made by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, NA) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement

1. Exhibit A of the Agreement hereby amended to add the following Indexes.

   - MSCI USA Diversified Multi-Factor Index
   - MSCI USA Small Cap Diversified Multi-Factor Index

   or such other indexes as agreed by Licensee and MSCI in writing.

2. Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Licensee funds (each, a "USA Multi-Factor ETF" and each USA Multi-Factor ETF shall also be a "Fund" as such term is defined in the Agreement):

   - iShares FactorSelect MSCI USA ETF
   - iShares FactorSelect MSCI USA Small-Cap ETF

   or such other names as agreed by Licensee and MSCI in writing.

   The USA Multi-Factor ETFs shall be exchange traded index funds listed on a national securities exchange located in the United States.

3. For each USA Multi-Factor ETF, Licensee shall pay MSCI a *********** license fee based on ** which fee shall be calculated and payable on a *********** basis. The *********** license fee for each USA Multi-Factor ETF shall be **********************.

4. Special Conditions:

   a. This Amendment is intended to amend and operate in conjunction with the Agreement, and together this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that this Amendment conflicts with the Agreement, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.

   b. MSCI may terminate this Amendment with respect to any individual Index set forth in Section 1 it within two (2) years of the date on which MSCI first launches any one of the Specified Indexes, Licensee does not list the relevant USA Multi-Factor ETF that is based on such Index. As used herein, "*********** means any one or more of ** ** *********************************.

   c. If Licensee delists any USA Multi-Factor ETF or changes the underlying Index for any USA Multi-Factor ETF, Licensee's right to use the relevant Index set forth in Section 1 with respect to such USA Multi-Factor ETF shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

e. MSCI shall not *********** *********** any exchange traded fund listed in *********** that is based on any ********************** based on the same such ***********. Notwithstanding the foregoing, at any time after ** MSCI may license ********************** that is based on any or all of the ***********.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors		MSCI Inc.	
By	/s/ Patrick Dunne	By	/s/ Alex Gil
Name		Name	Alex Gil
Title		Title	Executive Director
Date		Date	May 12, 2015

Exhibit 10.110

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00172058.0

AMENDMENT

Date of Amendment: June 1, 2015

AMENDMENT to the Amendment dated February 21, 2013 (the "Original Amendment") to the Index License Agreement for Funds dated as of March 18, 2000 with MSCI internal reference DCF_00040 (as previously amended, the "Agreement") by and between MSCI Inc. (f/k/a Morgan Stanley Capital International Inc.) ("MSCI") and Black Rack Fund Advisors, a California corporation (as successor to Barclays Global Investors, NA) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Original Amendment or the Agreement, as the case may be.

WHEREAS, in accordance with the Original Amendment and the Agreement, Licensee launched (i) the iShares MSCI USA Value Factor ETF, tracking the performance of the MSCI USA Value Weighted Index; and (ii) the iShares MSCI USA Quality Factor ETF, tracking the performance of the MSCI USA Quality Index; and

WHEREAS, Licensee now wishes for such ETFs to begin tracking the performance of different MSCI indexes.

NOW, THEREFORE, for good and valuable consideration, MSCI and Licensee hereby agree as follows:

1. Effective as of the applicable Transition Date, Section 1 of the Original Amendment shall be amended to (i) delete the "MSCI USA Value Weighted Index" and replace it with the "MSCI USA Enhanced Value Index" and (ii) delete the "MSCI USA Quality Index" and replace it with the "MSCI USA Sector Neutral Quality Index."

2. Effective as of the applicable Transition Date, Section 2 of the Original Amendment shall be amended to (i) delete the second bullet point and replace it with "iShares MSCI USA Value Factor ETF which seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI USA Enhanced Value Index" and (ii) delete the fourth bullet point and replace it with "iShares MSCI USA Quality Factor ETF which seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI USA Sector Neutral Quality Index."

3. As used herein, the "Transition Date" means, as applicable, either (i) the date on which the iShares MSCI USA Value Factor ETF begins tracking the MSCI USA Enhanced Value Index or (ii) the date on which the iShares MSCI USA Quality Factor ETF begins tracking the MSCI USA Sector Neutral Quality Index. Licensee shall provide MSCI with prompt written notice of each Transition Date. Where necessary, the applicable license fees under this Amendment and the Original Amendment shall be **********************.

4. This Amendment is intended to amend and operate in conjunction with the Original Amendment and the Agreement and, together, this Amendment the Original Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties, and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that any terms of this Amendment conflict with any terms of the Original Amendment or the Agreement, the terms of this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement, the Original Amendment and this Amendment.

5. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

LICENSEE: BlackRock Fund Advisors		MSCI Inc.	
By	/s/ Paul C. Lohrey	By	
Name	Paul C. Lohrey	Name	
Title	Managing Director	Title	
Date	July 28, 2015	Date	

Signature: /s/ Alex Gil

Email: alex.gil@msci.com

Title: Executive Director

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00172354.0

AMENDMENT

Date of Amendment: June 1, 2015

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (MSCI reference number IXF 00040) dated as of March 18, 2000 (as previously amended, the "Agreement") is made by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, NA) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

1. Exhibit A of the Agreement is hereby amended to add the following Index:

   - MSCI Saudi Arabia IMI 25/50 Index

   Or such other index as agreed by Licensee and MSCI in writing,

2. Licensee may use the Index set forth in Section 1 above solely with respect to the following Licensee fund (which shall be a "Fund" as such term is defined in the Agreement):

   - iShares MSCI Saudi Arabia Capped ETF

   Or such other names as agreed by Licensee and MSCI in writing.

   The Fund shall be an exchange traded index fund listed on a national securities exchange located in the United States.

3. Licensee shall pay MSCI a *********** license fee based on the Fund's ***************************************, which fee shall be calculated and payable on a *********** *****. The *********** license fee shall be calculated as a percentage of the Fund's AUM during the applicable *********************************, as follows:

****
****
****

For the avoidance of doubt, the *********** license fees shall be calculated ***********. For example,
****
****
**.

"Expense Ratio" shall mean the *********** obtained when dividing **
**.

Notwithstanding anything to the contrary contained herein, if the Fund does not have an *********** or if a Fund's ************** ******** or if a Fund has an ***********, the *********** licensee fee for such Fund shall **.

4. Special Conditions:

a. To the extent that this Amendment conflicts with the Agreement, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.

b. MSCI may terminate this Amendment with respect to the Index set forth in Section 1 if within one (1) year of the date of this Amendment, Licensee does not list the Fund and/or the Fund is not based on the Index.

c. If Licensee delists the Fund or changes the underlying MSCI index for the Fund, then Licensee’s right to use the Index with respect to the Fund shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

e. On the date hereof this Amendment, this Amendment shall cancel and replace in its entirety that certain Amendment dated September 17, 2014 between MSCI and Licensee with MSCI internal reference AMD_00145052.0.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors		MSCI Inc.	
By	/s/ Paul C. Lohrey	By	/s/ Alex Gil
Name	Paul C. Lohrey	Name	Alex Gil
Title	Managing Director	Title	Executive Director
Date	July 28, 2015	Date	Aug 18, 2015

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00173884.0

AMENDMENT

Date of Amendment: June 4, 2015

AMENDMENT to the Index License Agreement for Funds (the "Agreement"), dated as of March 18, 2000, by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (formerly known as Barclays Global Investors, N.A.) ("Licensee"), as previously amended. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the November 6 Amendment (defined below), as the case *may* be.

WHEREAS, MSCI previously granted Licensee the right to use the MSCI indexes identified below as the basis for the Licensee funds identified below in the United States in accordance with the terms of the Amendment (MSCI reference # AMD_00083357.0) between the parties dated November 6, 2012 (the "November 6 Amendment"):

- iShares Core MSCI Total International Stock ETF which seeks to track the investment results of the MSCI ACWI ex USA IMI Index
- iShares Core MSCI EAFE ETF which seeks to track the investment results of the MSCI EAFE IMI Index
- iShares Core MSCI Emerging Markets ETF which seeks to track the investment results of the MSCI Emerging Markets IMI Index

(The term "Fund" as used herein shall have the meaning ascribed to it in the November 6 Amendment.)

WHEREAS, the parties wish to further amend the Agreement to allow for the cross-listing of each Fund identified above, as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Effective as of March 12, 2013, Exhibit B of the Agreement is amended to allow each Fund identified above to be listed and traded on the Mexican Stock Exchange (Bolsa Mexicana de Valores) after such Fund is listed on a United States exchange. Each Fund listed in Mexico must be issued, sold and traded on a public basis in accordance with applicable Mexican securities law. All other terms and restrictions contained in Exhibit B of the Agreement shall apply to each Fund listed in Mexico. For the avoidance of doubt, the *********** attributable to the listing in Mexico shall be included in the total ***********, and the *********** set forth in the November 6 Amendment shall apply with respect to the combined ************************************** *******. For clarity, there shall be ************************************** ************************************** ***. Notwithstanding anything to the contrary, but in addition to any other information that Licensee may be required to report to MSCI, Licensee shall, upon MSCI' s written request from time to time, provide a written report showing the ** (i) Mexican domiciled stock or security exchanges and (ii) United States domiciled stock or security exchanges.
2. This Amendment is intended to amend and operate in conjunction with the Agreement and together this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that any terms of this Amendment conflict with any terms of the Agreement, the terms of this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.
3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

LICENSEE: BlackRock Fund Advisors

MSCI Inc.

By	/s/ Manish Mehta		By	/s/ Alex Gil
Name (printed)	Manish Mehta		Name (printed)	Alex Gil
Title	Managing Director		Title	Executive Director

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00173882.0

AMENDMENT

Date of Amendment: June 4, 2015

AMENDMENT to the Index License Agreement for Funds (the "Agreement"), dated as of March 18, 2000, by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (formerly known as Barclays Global Investors, NA.) ("Licensee"), as previously amended. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the *********** (defined below), as the case may be.

WHEREAS, MSCI previously granted Licensee the right to use the MSCI indexes identified below as the basis for the Licensee funds identified below in the United States in accordance with the terms of (i) *********** between the parties *********** and (ii) that certain Amendment *********** between the parties dated ***********:

****
****

(The term "Fund" as used herein shall have the meaning ascribed to it in the ***********.)

WHEREAS, the parties wish to further amend the Agreement to allow for the cross-listing of each Fund identified above, as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Exhibit B of the Agreement is hereby amended to allow each Fund identified above to be listed and traded on the Mexican Stock Exchange (Bolsa Mexicana de Valores) after such Fund is listed on a United States exchange. Each Fund listed in Mexico must be issued, sold and traded on a public basis in accordance with applicable Mexican securities law. All other terms and restrictions contained in Exhibit B of the Agreement shall apply to each Fund listed in Mexico. For the avoidance of doubt, the *********** attributable to the listing in Mexico shall be included in the total ***********, and the *********** set forth in the *********** Amendment shall apply with respect to the ***********. For clarity, there shall be *********************** **. Notwithstanding anything to the contrary, but in addition to any other information that Licensee may be required to report to MSCI, Licensee shall, upon MSCI' s written request from time to time, provide a written report showing the *********** (i) Mexican domiciled stock or security exchanges and (ii) United States domiciled stock or security exchanges.

2. This Amendment is intended to amend and operate in conjunction with the Agreement and together this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that any terms of this Amendment conflict with any terms of the Agreement, the terms of this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement and this Amendment.

3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

LICENSEE: BlackRock Fund Advisors	MSCI Inc.
By /s/ Manish Mehta	By /s/ Alex Gil
Name (printed) Manish Mehta	Name (printed) Alex Gil
Title Managing Director	Title Executive Director

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

AMD_00175670.0

AMENDMENT

Effective Date as of August 1, 2015

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (internal MSCI reference: IXF_00040) dated as of March 18, 2000 (the "Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International, Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, NA.) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

For the avoidance of doubt, the Agreement and this Amendment relate solely to "Funds" which are exchange traded fields (ETFs) listed in the United States.

MSCI and Licensee acknowledge and agree that, notwithstanding anything to the contrary, all *********** applicable to the iShares MSCI USA ETF (which tracks the performance of the MSCI USA Index) are intended to be, and shall at all times be, *********** described in this Amendment which ***.

1. MSCI USA Equal Weighted Index:

a. Before the Effective Date of this Amendment, and in accordance with the terms of the Agreement, Licensee launched the iShares MSCI USA ETF, which tracks the performance of the MSCI USA Index. On a date to be selected by Licensee following the Effective Date of this Schedule (the "Conversion Date"), Licensee shall cause the iShares MSCI USA ETF to (i) stop tracking the performance of the MSCI USA Index and (ii) begin tracking the performance of the MSCI USA Equal Weighted Index. Commencing on the Conversion Date, the iShares MSCI USA ETF shall be renamed the "iShares MSCI USA Equal Weighted ETF."

On the Conversion Date, the Agreement shall be amended by (i) deleting all references therein to the MSCI USA Index and (ii) adding the MSCI USA Equal Weighted Index to Exhibit A of the Agreement. For the avoidance of doubt, Licensee shall have no right or license to use the MSCI USA Index under the Agreement at any time on or after the Conversion Date.

Until to Conversion Date, all *********** for the iShares MSCI USA ETF shall be *********** Section 2(c) of that certain Amendment (internal MSCI reference: AMD_00058142.0) dated as of July 1, 2011 between MSCI and Licensee; provided, however, that such ** Amendment (internal MSCI reference: AMD_00058142.0) dated as of July 1, 2011 between MSCI and Licensee).

Commencing on the Conversion Date, Licensee shall pay MSCI a *********** license fee with respect to Licensee's use of the MSCI USA Equal Weighted Index as ***********, the iShares MSCI USA Equal Weighted ETF. For the iShares MSCI USA Equal Weighted ETF, the *********** license fee shall be as set forth in the table below, but subject to a ************************* **.

****
****
****
****

For the avoidance of doubt, the *********** license fees shall be calculated ***********. For example, *********************
****
*** ***************.

b. Definitions: As used herein, the following terms shall have the meanings set forth below:

"AUM" means, ***********, the aggregate ********************************* of such Fund during any relevant period.

"Expense Ratio" means the *********** obtained when dividing **
. Notwithstanding anything to the contrary, if a Fund ******** or if the Fund's ********************** or if a Fund's ***********, then the license fees for such Fund shall be deemed to equal
** **************.

c. Payment: The license fees set forth above shall be *********** to MSCI by the *********** day of the following *********** and shall be accompanied by a statement from Licensee stating that such license fees are accurate. Where necessary, all license fees applicable to any Fund shall be *********************************. Any license fees or other amounts due hereunder that are not timely paid shall **, which ****** shall begin ****** on the relevant due date and shall continue to ********
************************************.

d. Records: Licensee shall maintain detailed and accurate records with respect to the ********************** to MSCI hereunder. During the term of the Agreement and for a period of three (3) years after its termination, Licensee shall, upon written request from MSCI, provide MSCI and/or an independent accounting organization chosen and compensated by MSCI with access to such records during normal business hours. Licensee shall promptly *** for the period of time during which **********************. If such audit reveals **********************, then Licensee shall also **********************.

e. Taxes: Licensee shall promptly pay all federal, state and local sales, personal property, ad valorem and other taxes of a similar nature arising as a result of the Agreement, other than taxes based on MSCI's income.

2. Miscellaneous:

a. Notwithstanding anything to the contrary, if the Conversion Date does not occur on or before July 31, 2016, then MSCI may terminate this Amendment in its entirety upon written notice to Licensee — with the effect that ******************************
****
****
******************************.

b. This Amendment is intended to amend and operate in conjunction with the Agreement and, together, this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. In the event of any conflict or inconsistency between this Amendment and the Agreement (or any other amendment to the Agreement), this Amendment shall control. No right or license of any kind of granted to Licensee except as expressly provided in the Agreement and this Amendment. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws principles.

ACCEPTED AND AGREED:

MSCI Inc.		BlackRock Fund Advisors	
By:	/s/ Alex Gil	By:	/s/ Manish Mehta
Name:	Alex Gil	Name:	Manish Mehta
Title:	Executive Director	Title:	Managing Director

Exhibit 10.117

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.:130339
AMD_00178568.0

AMENDMENT

Date of Amendment: August 3, 2015

AMENDMENT (this "<u>Amendment</u>") to the Index License Agreement for Funds (internal MSCI reference: IXF_00040) dated as of March 18, 2000 (the "<u>Agreement</u>") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("<u>MSCI</u>") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("<u>Licensee</u>").

The parties acknowledge that the Agreement was previously amended by, among other amendments, that certain Amendment (internal MSCI reference: AMD_00403) dated as of October 4, 2011 (the "<u>Previous Amendment</u>"). This Amendment shall supplement and operate in conjunction with the Previous Amendment. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Agreement or the Previous Amendment, as the case maybe.

1. Exhibit A of the Agreement is hereby amended to add the following Indexes:

   - MSCI EAFE Minimum Volatility (USD) 100% Hedged to USD Index
   - MSCI Emerging Markets Minimum Volatility (USD) 100% Hedged to USD Index
   - MSCI ACWI Minimum Volatility (USD) 100% Hedged to USD Index

   Or such other names as agreed by Licensee and MSCI in writing.

2. Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Funds (each, a "<u>Hedged ETF</u>" and each Hedged ETF shall also be a "Fund" as such term is defined in the Agreement).

   - iShares Currency Hedged MSCI EAFE Minimum Volatility ETF
   - iShares Currency Hedged MSCI EM Minimum Volatility ETF
   - iShares Currency Hedged MSCI ACWI Minimum Volatility ETF

   Or such other names as agreed by Licensee and MSCI in writing.

The Hedged ETFs shall be exchange traded index funds listed on a national securities exchange located in the United States.

3. Fees payable with respect to the Hedged ETFs:

a. <u>Definitions:</u>

As used in this Amendment, the following terms shall have the meanings set forth below:

"<u>Un-Hedged ETF</u>" means, for each ** set forth in the following table:

****
****
****

"<u>AUM</u>" means, for any ********** or any ***********, the ** **.

"<u>Reinvested AUM</u>" means, for each **********, the *** ***.

"Unreinvested AUM" means, for each **********, the ***
***.

For the avoidance of doubt, the total of the ************** and the *********** of any *********** uring the relevant *********** period must equal the *********** during such *********** period.

b. Calculation of Fees:

For each ***********, Licensee shall pay *********** fees to MSCI. Such *********** fees shall be determined with reference to the *********** fees payable under the ************. Specifically, the *********** fees for each *********** shall be determined by **
****
****
***.

Except for the addition of the *********** of the *********** during the applicable *********** period, the calculation of fees payable in accordance with the ***********. All fees with respect to the *********** of each *********** shall be due and payable in accordance with the terms of the ***********.

For the avoidance of doubt, there shall be no *********** with respect to the *********** of any ***********. By way of explanation, the parties believe that, because the *********** requires Licensee to *********** fees on the ********************
****
****
************************.

The parties acknowledge and agree that the *********** of each *********** shall be used for purposes of determining the ***.

If the *********** is terminated or expires without being replaced for any reason in any ***********, or if any *********** ceases to exist or to be subject to the terms of the *********** for any reason in any ***********, then, notwithstanding anything to the contrary in this Amendment, from the date of such occurrence, Licensee shall *********** to MSCI with respect to each *********
****
****
******. If any **************************** or if any ************** has an ***********, the license fee for such *********
** shall equal **. For purposes of clarity, **, but the *********** continues to exist, the ***********, as set forth above, shall continue to be used in **
**********.

c. Reporting:

Within *********** days of the end of each ***********, Licensee shall report to MSCI ************************************
****
****
. For the avoidance of doubt, if the inception date or the termination date of any ******** is any day other than the first day or last day (respectively) of a
****
**.

4. Special Conditions:

a. To the extent that this Amendment conflicts with the Agreement or the Previous Amendment, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement, the Previous Amendment and this Amendment.

b. MSCI may terminate this Amendment with respect to any Index set forth in Section 1 if, within one (1) year of the date of this Amendment, Licensee does not list a Hedged ETF that is based on such Index.

c. If Licensee delists any Hedged ETF or changes the underlying Index for such Hedged ETF, Licensee's right to use the relevant Index set forth in Section 1 with respect to such Hedged ETF shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors		MSCI Inc.	
By	/s/ Manish Mehta	By	/s/ Alex Gil
Name (printed)	Manish Mehta	Name (printed)	Alex Gil
Title	Managing Director	Title	Executive Director
Date	September 25, 2015	Date	Oct. 26, 2015

Exhibit 10.118

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.:130339
AMD_00178567.0

AMENDMENT

Date of Amendment: August 3, 2015

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (internal MSCI reference: IXF_00040) dated as of March 18, 2000 (the "Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("Licensee").

The parties acknowledge that the Agreement was previously amended by, among other amendments, that certain Amendment (internal MSCI reference: AMD_00119881.0) dated as of January 23, 2014 (the "Previous Amendment"). This Amendment shall supplement and operate in conjunction with the Previous Amendment. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Agreement or the Previous Amendment, as the case may be.

1. Exhibit A of the Agreement is hereby amended to add the following Indexes:

   - MSCI Europe Minimum Volatility (USD) 100% Hedged to USD Index

   Or such other names as agreed by Licensee and MSCI in writing.

2. Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Funds (each, a "Hedged ETF" and each Hedged ETF shall also be a "Fund" as such term is defined in the Agreement):

   - iShares Currency Hedged MSCI Europe Minimum Volatility ETF

   Or such other names as agreed by Licensee and MSCI in writing.

The Hedged ETFs shall be exchange traded index funds listed on a national securities exchange located in the United States.

3. Fees payable with respect to the Hedged ETFs:

a. Definitions:

As used in this Amendment, the following terms shall have the meanings set forth below.

"Un-Hedged ETF" means, for each *** set forth in the following table:

****
****
****

"AUM" means, for any *********** or any ***********, the ** **.

"Reinvested AUM" means, for each ***********, the ** ***.

"Unreinvestcd AUM" means, for each ***********, the ** **.

For the avoidance of doubt, the total of the *********** and the *********** of any *********** during the relevant ***********, must equal the ***.

b. Calculation of Fees.

For each ***********, Licensee shall pay *********** fees to MSCI. Such *********** fees shall be determined with reference to the *********** fees peyote under the ***********. Specifically, the *********** fees for each *********** shall be determined by
****
****
****
***.

Except for the addition of the *** *** during the applicable *********** period, the calculation of *********** in accordance with the *********** shall remain unchanged. All fees with respect to the *********** of each *********** shall be due and payable in accordance with the terms of the ***********.

For the avoidance of doubt, there shall be no ** with respect to the *********** of any ***********. By way of explanation, the parties believe that, because the *** fees on the
****
****
****
***********************.

The parties acknowledge and agree that the *********** of each *********** shall be used for purposes of
***.

If the *********** is terminated or expires without being replaced for any reason in any *********** or if any ***********ceases to exist or to be subject to the terms of the ******************** ************************** for any reason in any ***********, then, notwithstanding anything to the contrary in this Amendment, from the date of such occurrence, Licensee shall *********** fees to MSCI with respect to each *********** that are
****
******** **
***.
If any *** or if any *********** has an ***********, the license fee for such *********** shall equal
****
***********************. For purposes of clarity, if ***
******, but the *********** continues to exist, the *********** of such ***********, as set forth above, shall continue to
**.

c. Reporting:

Within *********** days of the end of each ***********, Licensee shall report to MSCI
****
****
****
***********. For the avoidance of doubt, if the inception date or the termination date of any Hedged ETF is any day other thin the first day or last day (respectively) of a **
**.

4. Special Conditions:

a. To the extent that this Amendment conflicts with the Agreement or the Previous Amendment, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement, the Previous Amendment and this Amendment.

b. MSCI may terminate this Amendment with respect to any Index set forth in Section 1 if, within one (1) year of the date of this Amendment, Licensee does not list a Hedged ETF that is based on such Index.

c. if Licensee deists any Hedged ETF or changes the underlying Index for such Hedged ETF, Licensee's right to use the relevant Index set forth in Section 1 with respect to such Hedged ETF shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors		MSCI INC.	
By	/s/ Manish Mehta	By	/s/ David Kinzelberg
Name	Manish Mehta	Name	DAVID KINZELBERG
Title	Managing Director	Title	EXECUTIVE DIRECTOR
Date	September 25, 2015	Date	

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00178569.0

AMENDMENT

Date of Amendment: August 3, 2015

AMENDMENT (this "Amendment") to the Index License Agreement for Funds (internal MSCI reference: IXF_00040) dated as of March 18, 2000 (the "Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, NA.) ("Licensee").

The parties acknowledge that the Agreement was previously amended by, among other amendments, that certain Amendment (internal MSCI reference: AMD_00135107.0) dated as of August 15, 2014 (the "Previous Amendment"). This Amendment shall supplement and operate in conjunction with the Previous Amendment. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Agreement or the Previous Amendment, as the case may be.

1. Exhibit A of the Agreement is hereby amended to add the following Indexes:

   - MSCI Europe Small Cap 100% Hedged to USD Index

   Or such other names as agreed by Licensee and MSCI in writing.

2. Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Funds (each, a "Hedged ETF" and each Hedged ETF shall also be a "Fund" as such term is defined in the Agreement):

   - iShares Currency Hedged MSCI Europe Small-Cap ETF

   Or such other names as agreed by Licensee and MSCI in writing.

   The Hedged ETFs shall be exchange traded index funds listed on a national securities exchange located in the United States.

3. Fees payable with respect to the Hedged ETFs:

a. Definitions:

As used in this Amendment, the following terms shall have the meanings set forth below:

"Un-Hedged ETF" means, for each ***********, the ** set forth in the following table:

****
****

"Expense Ratio" means the ***********. obtained when dividing *************************************
*********************************** ***
****
*****************************.

"AUM" means the ** *********************************.

"Reinvested AUM" means, for each **
**.

"Unreinvested AUM" means, for each *** ***.

For the avoidance of doubt, the total of the *********** and the *********** of any *********** during any relevant period must equal the total ***.

b. Calculation of Fees:

Each *********** during the term, and for each ***********, Licensee shall pay to MSCI the *********** set forth to the table below ******************** **.

****
****
****
****

For the avoidance of doubt, the *********** shall be calculated ***********. For example, ** ** ** ** ** **.

For the avoidance of doubt, there shall be no *********** fees due or payable under the ***********with respect to the ***********or the ***********.

c. Reporting:

Within *********** days of the end of each *********** Licensee shall report to MSCI (i) the AUM, the ** ** ** ** ** ***.

4. Special Conditions:

a. To the extent that this Amendment conflicts with the Agreement or the Previous Amendment, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Agreement, the Previous Amendment and this Amendment.

b. MSCI may terminate this Amendment with respect to any Index set forth in Section 1 if, within one (1) year of the date of this Amendment, Licensee does not list a Hedged ETF that is based on such Index.

c. If Licensee delists any Hedged ETF or changes the underlying Index for such Hedged ETF, Licensee's right to use the relevant Index set forth in Section 1 with respect to such Hedged ETF shall automatically and immediately terminate.

d. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Fund Advisors		MSCI INC.	
By	/s/ Manish Mehta	By	/s/ Alex Gil
Name	Manish Mehta	Name	Alex Gil
Title	Managing Director	Title	Executive Director
Date	September 25, 2015	Date	Nov 12, 2015

Exhibit 10.120

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00178932.0

BlackRock Fund Advisors
Attention: Jenni Lee
400 Howard Street
San Francisco, California 94105

August 3, 2015

Dear Jenni:

Reference is hereby made to the Amendment (MSCI reference: AMD_00135107.0) dated August 15, 2014 (the "Amendment") to the Index License Agreement for Funds (MSCI reference number IXF_00040) dated March 18, 2000 (the "Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("Licensee"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Amendment or the Agreement, as the case may be.

MSCI and Licensee hereby agree as follows:

1. Effective commencing on August 3, 2015, the definition of "Expanded AUM" set forth in the Amendment shall be deleted and replaced with the following:

   "Expanded AUM" means, for any applicable period, the amount (if any) by which ***.

2. Effective commencing on August 3, 2015, the following two definitions shall be added to Section 3 of the Amendment:

   "Qualified AUM" means, for any applicable period, an amount equal to ***.

   "Reinvested AUM" means, for any applicable period, that *********** which is directly or indirectly ** ************************************.

3. Effective commencing on August 3, 2015, the following paragraph shall be added to Section 3 of the Amendment:

Within *********** days of the end of each *********** Licensee shall provide to MSCI a ** ** ** ***.

This letter modifies and operates in conjunction with the Amendment. Together this letter, the Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties with respect to the subject matter hereof and supersede in full all prior proposals and understandings, oral or written, relating to such subject matter. To the extent that any terms of this letter conflict with any terms of the Amendment or the Agreement, the terms of this letter shall control. This letter shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

Please indicate your agreement with the foregoing by countersigning and returning a copy of this letter.

Very truly yours,

MSCI Inc.

By: /s/ Alex Gil
Name: Alex Gil
Title: Executive Director

ACCEPTED AND AGREED:

BlackRock Fund Advisors

By: /s/ Manish Mehta
Name: Manish Mehta
Title: Managing Director

Exhibit 10.121

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00184380.0

BlackRock Fund Advisors
Attention: Jenni Lee
400 Howard Street
San Francisco, California 94105

October 9, 2015

Dear Jenni:

Reference is hereby made to the Amendment (MSCI reference: AMD_00151505.0) dated April 20, 2015 ("Amendment") to the Index License Agreement for Funds dated March 18, 2000 ("Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (as successor to Barclays Global Investors, N.A.) ("Licensee"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Amendment or the Agreement, as the case may be.

MSCI and Licensee hereby agree to modify the Amendment as follows:

1. In Section 1 of the Amendment, the parties agree to add the following Indexes:
   - MSCI USA Energy Diversified Multiple-Factor Capped Index
   - MSCI USA Materials Diversified Multiple-Factor Capped Index
   - MSCI USA Industrials Diversified Multiple-Factor Capped Index
   - MSCI USA Consumer Discretionary Diversified Multiple-Factor Capped Index
   - MSCI USA Consumer Staples Diversified Multiple-Factor Capped Index
   - MSCI USA Health Care Diversified Multiple-Factor Capped Index
   - MSCI USA Financials Diversified Multiple-Factor Capped Index
   - MSCI USA Information Technology Diversified Multiple-Factor Capped Index
   - MSCI USA Utilities Diversified Multiple-Factor Capped Index
2. In Section 2 of the Amendment, the parties agree to add the following Multi-Factor ETFs:
   - iShares FactorPlus MSCI Energy ETF
   - iShares FactorPlus MSCI Materials ETF
   - iShares FactorPlus MSCI Industrials ETF
   - iShares FactorPlus MSCI Consumer Discretionary ETF
   - iShares FactorPlus MSCI Consumer Staples ETF
   - iShares FactorPlus MSCI Health Care ETF
   - iShares FactorPlus MSCI Financials ETF
   - iShares FactorPlus MSCI Information Technology ETF
   - iShares FactorPlus MSCI Utilities ETF
3. In Section 2 of the Amendment, the parties agree to add the following sentence:

   If any ***********, for any of the Multi-Factor ETFs refer to ***********, Licensee shall ** **. For the avoidance of doubt, the parties acknowledge that the *** **.

This letter modifies and operates in conjunction with the Amendment. Together this letter, the Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties with respect to the subject matter hereof and supersede in full all prior proposals and understandings, oral or written, relating to such subject matter. To the extent that any terms of this letter conflict with any terms of the Amendment or the

Agreement, the terms of this letter shall control. This letter shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

Please indicate your agreement with the foregoing by countersigning and returning a copy of this letter.

Very truly yours,

MSCI Inc.

By: /s/ Alex Gil
Name: Alex Gil
Title: Executive Director

ACCEPTED AND AGREED:

BlackRock Fund Advisors

By: /s/ Manish Mehta
Name: Manish Mehta
Title: Managing Director

Exhibit A

REDACTED TEXT

example of ETF landing page on iShares.com (above the fold only):

example of ETF fact sheet:

page 1

LRGF

iShares® FactorSelect™ MSCI USA ETF

Fact Sheet as of 09/30/2015

iShares by BLACKROCK®

The iShares® FactorSelect™ MSCI USA ETF seeks to track the investment results of an index composed of U.S. large- and mid-capitalization stocks that have favorable exposure to target style factors subject to constraints.

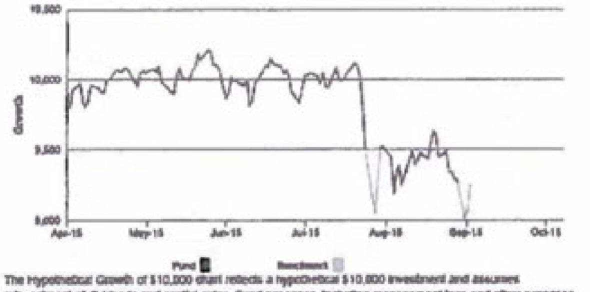
WHY LRGF?

1 Efficient access to a portfolio of U.S. large and mid-cap stocks based on an index that focuses on four well-known investment factors: value, quality, momentum, and low size.

2 Seeks to maximize exposure to factors that have historically outperformed the broad market, while maintaining a similar level of market risk.

3 Brought to you by BlackRock, with over 40 years of experience managing factor and index strategies including iShares ETFs.

GROWTH OF 10,000 USD SINCE INCEPTION



The Hypothetical Growth of $10,000 chart reflects a hypothetical $10,000 investment and assumes reinvestment of dividends and capital gains. Fund expenses, including management fees and other expenses were deducted.

PERFORMANCE

	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	N/A	N/A	N/A	N/A	-7.50%
Market Price	N/A	N/A	N/A	N/A	-7.50%
Benchmark	N/A	N/A	N/A	N/A	-7.49%

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month and may be obtained by visiting www.iShares.com or www.blackrock.com.

Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times.

KEY FACTS

Inception Date	04/28/2015
Expense Ratio	0.35%
Benchmark	MSCI USA Diversified Multiple-Factor
30 Day SEC Yield	1.57%
Number of Holdings	137
Net Assets	$5,786,583

Ticker	LRGF
CUSIP	46434V282
Exchange	NYSE Arca

TOP HOLDINGS (%)

GILEAD SCIENCES INC	2.72
ACCENTURE PLC	2.55
AMERICAN INTERNATIONAL GROUP INC	2.46
LOCKHEED MARTIN CORP	2.36
AETNA INC	2.11
ANTHEM INC	2.04
HEWLETT PACKARD	1.93
CIGNA CORP	1.91
ACE LTD	1.85
LYONDELLBASELL INDUSTRIES NV CLASS	1.85
	21.7%

Holdings are subject to change.

page 2

FEES AND EXPENSES BREAKDOWN

Expense Ratio		0.35%
Management Fee	0.35%	
Acquired Fund Fees and Expenses	0.00%	
Foreign Taxes and Other Expenses	0.00%	
- Fee Waivers		0.00%
= Expense Ratio		0.35%

FUND CHARACTERISTICS

Beta vs. S&P 500	N/A
P/E Ratio	14.58
P/B Ratio	2.18

Beta is a measure of the tendency of securities to move with the market as a whole. A beta of 1 indicates that the security's price will move with the market. A beta less than 1 indicates the security tends to be less volatile than the market, while a beta greater than 1 indicates the security is more volatile than the market.

The price to earnings ratio (P/E) is a fundamental measure used to determine if an investment is valued appropriately. Each holding's P/E is the latest closing price divided by the latest fiscal year's earnings per share. Negative P/E ratios are excluded from this calculation.

The price to book (P/B) value ratio is a fundamental measure used to determine if an investment is valued appropriately. The book value of a company is a measure of how much a company's assets are worth assuming the company's debts are paid off. Each holding's P/B is the latest closing price divided by the latest fiscal year's book value per share. Negative book values are excluded from this calculation.

TOP SECTORS (%)

Want to learn more? www.iShares.com www.blackrockblog.com @iShares

Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting www.iShares.com or www.blackrock.com. Read the prospectus carefully before investing.

Investing involves risk, including possible loss of principal.

Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and than the general securities market.

There can be no assurance that performance will be enhanced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

"Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies, or other pooled investment vehicles. AFFE are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

Diversification may not protect against market risk or loss of principal.

Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by MSCI, and MSCI does not make any representation regarding the advisability of investing in the Funds. BlackRock licenses the use of MSCI indices and is not affiliated with MSCI.

FOR MORE INFORMATION, VISIT WWW.ISHARES.COM OR CALL 1-800 ISHARES (1-800-474-2737)

Not FDIC Insured - No Bank Guarantee - May Lose Value

BLACKROCK®

example of an iShares product brief:

page 1

INVEST IN FOUR KEY FACTORS WITH ISHARES® FACTORSELECT™

iShares by BLACKROCK®

FACTORSELECT PRODUCT BRIEF

Factors Historically Have Outperformed Broad Markets

Investing in stocks with specific characteristics or factors may provide a way to enhance a portfolio's return. The iShares FactorSelect ETFs seek to offer maximum exposure to factors that historically have outperformed the broad market.

Why iShares FactorSelect ETFs?

- **Efficient access** to a portfolio of stocks based on an index strategy that focuses on four well-known investment factors: value, quality, momentum, and low size
- **Maximum exposure** to factors that have historically outperformed the broad market, while maintaining a similar level of market risk
- **Brought to you by BlackRock**, with over 40 years of experience managing factor and index strategies including iShares ETFs.

Combining Factors May Help Strengthen Portfolios

The recognition of key drivers of a stock's risk and return— factors— is at the heart of smart beta investing. The iShares FactorSelect ETFs offer exposure to a combination of four well-known factors. (Figure 1)

When multiple factors are combined, this diversification has historically led to lower volatility[1]

LRGF	iShares FactorSelect MSCI USA ETF
SMLF	iShares FactorSelect MSCI USA Small-Cap ETF
INTF	iShares FactorSelect MSCI International ETF
ISCF	iShares FactorSelect MSCI Intl Small-Cap ETF
ACWF	iShares FactorSelect MSCI Global ETF

Figure 1: Factor Exposures in iShares FactorSelect ETFs

Factor	Type of Company	Description	Long-Term Investment Behavior[2]
Quality	Strong companies	An evaluation of potentially "stronger" stocks based on the quality and consistency of earnings and balance sheet strength.	High-quality stocks have historically outperformed low-quality, a result of investors' lottery-seeking behavior
Momentum	Companies experiencing a stock price upswing	The idea that stocks with higher relative performance may continue to produce strong performance in the near term	High-momentum names have outperformed low momentum names, a result of investors seeking investments after observing returns.
Value	Inexpensive companies	The timeless adage of buying low and selling high based on the belief that it's smarter to buy stocks that are cheap relative to fundamentals	Value stocks have historically outperformed growth stocks, a result of investors overbuying growth names
Low Size	Small companies	Small market-cap companies carry high growth potential, and other investors may be underestimating the value of this growth.	Small caps have historically outperformed large caps, a result of liquidity premium[3] and tax consequences

1. Source: MSCI Index Research, *Deploying Multi-factor Allocations in Institutional Portfolios*. December 2013.
2. Published research showing the historical outperformance of these factors includes: Value: J. Lakonishok, A. Shleifer, R. Vishny, "Contrarian Investment, Extrapolation, and Risk," *Journal of Finance*, 1994. Momentum: N. Jegadeesh and S. Titman, "Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency," *Journal of Finance*, 1993. Quality: R. Sloan, "Do Stock Prices Fully Reflect Information in Accruals and Cash Flows About Future Earnings," *Accounting Review*, 1996. Low volatility/size: R. Clarke, H. Silva and S. Thorley, "Minimum-Variance Portfolios in the U. S. Equity Market," *Journal of Portfolio Management*, 2006.
3. Liquidity premium is the difference in price between stocks with identical fundamental characteristics except for their liquidity

page 2 (excerpt only)

A Closer Look at How Stocks are Selected Based on Factors

The MSCI Diversified Multi-Factor Indexes aim to maximize exposure to four factors – value, momentum, quality and low size – while maintaining a similar level of risk to that of the respective broad market index. Figure 2 shows examples of companies that were evaluated across all four factors and, as a result, included or excluded from the MSCI USA Diversified Multi-Factor Index.

Figure 2: Sample Index Holdings Based on Factor Exposures

	Quality Factor	Value Factor	Low Size Factor	Momentum Factor	In the Index	Index Weighting
Stocks Included						
Apple Inc.	▲	–	▼	▲	✓	1.69%
Best Buy Co., Inc.	▲	▲	▼	▲	✓	0.55%
Nordstrom Inc.	▼	▼	▲	▲	✓	0.24%
Stocks Excluded						
Coca-Cola Co.	–	▼	▼	–	x	-
Facebook	▼	▼	▼	▲	x	-
Procter & Gamble	–	▼	–	–	x	-

Source: MSCI, BlackRock as of 4/28/15. ▲ signifies a stronger factor score, ▼ a weaker factor score, and '–' an average factor score. Index constituents subject to change. For illustrative purposes only. There is no guarantee that any of these securities remain in or out of the funds.

Fund and Index Details

	LRGF	SMLF	INTF	ISCF	ACWF
Fund Name	iShares FactorSelect MSCI USA ETF	iShares FactorSelect MSCI USA Small-Cap ETF	iShares FactorSelect MSCI International ETF	iShares FactorSelect MSCI Intl Small-Cap ETF	iShares FactorSelect MSCI Global ETF
Inception Date	4/28/15	4/28/15	4/28/15	4/28/15	4/28/15
Expense Ratio	0.35%	0.30%	0.45%	0.40%	0.50%*
Index Name	MSCI USA Diversified Multiple-Factor Index	MSCI USA Small Cap Diversified Multiple-Factor Index	MSCI World ex USA Diversified Multiple-Factor Index	MSCI World ex USA Small Cap Diversified Multiple-Factor Index	MSCI ACWI Diversified Multiple-Factor Index

* The net expense ratio is shown. The gross expense ratio is 0.51%. BlackRock Fund Advisors ("BFA"), the investment adviser to the Fund and an affiliate of BlackRock Investments, LLC, has contractually agreed to waive a portion of its management fees through 11/30/2020.

Learn more about the complete lineup of iShares Smart Beta ETFs

www.iShares.com/smartbeta

- iShares FactorSelect ETFs are part of the iShares Smart Beta ETF suite, offering investors flexibility to implement a packaged factor strategy or express a single factor view (Figure 3)
- Smart beta strategies seek to help improve investment results by efficiently capturing sources of return.
- Many of the investment concepts behind smart beta are not new—themes like value and quality have long been a staple of active mutual fund strategies. What is new is the growing recognition that investors can access these themes through low-cost, transparent ETFs.

Figure 3: More iShares Smart Beta ETFs Focusing on Factors

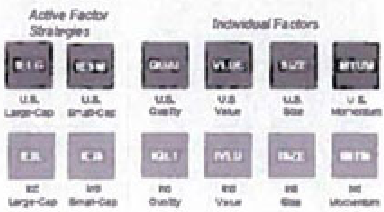


Exhibit 10.122

CONFIDENTIAL TREATMENT REQUESTED. *********** INDICATES OMITTED MATERIAL THAT IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST FILED SEPARATELY WITH THE COMMISSION. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION.

A.N.: 130339
AMD_00190103.0

BlackRock Fund Advisors, a California corporation
Attention: Jenni Lee
400 Howard Street
San Francisco, California 94105

December 17, 2015

Dear Ms. Lee:

Reference is hereby made to the Amendment (MSCI reference: AMD_00105603.0) dated December 10, 2013 (as amended from time to time, the "Amendment") to the Index License Agreement for Funds (internal MSCI reference: IXF_00040) dated March 18, 2000 ("Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Fund Advisors, a California corporation (formerly known as Barclays Global Investors, NA.) ("Licensee"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Amendment or the Agreement, as the case may be.

MSCI and Licensee hereby agree to further modify the Amendment as follows:

1 In Section 1 of the Amendment, the parties agree to add the following Indexes:

- MSCI EAFE Adaptive Hedge to USD Index
- MSCI EMU Adaptive Hedge to USD Index
- MSCI Japan Adaptive Hodge to USD Index

2. In Section 2 of the Amendment, the parties agree to add the following Hedged ETFs:

- iShares Adaptive Currency Hedged MSCI EAFE ETF
- iShares Adaptive Currency Hedged MSCI Eurozone ETF
- iShares Adaptive Currency Hedged MSCI Japan ETF

3. In the definition of "***********" in Section 3(a) of the Amendment, the parties agree to add the following *********** for the *********** specified below:

****
****
****

4. The parties agree to add a new Section 3(d) to the Amendment, as follows:

d. Investments by more than one *********** into the same ***********:

For the avoidance of doubt, if more than one **, then the *********** fees for *********** shall be calculated by **
***.

Notwithstanding the foregoing, if the *** for any reason in any ***********, or if any *********** ceases to exist or to be subject to the terms of the *** for any reason in any ***********, then the fees for each **
*************************************.

This letter modifies and operates in conjunction with the Amendment. Together this letter, the Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties with respect to the subject matter hereof and supersede in full all prior proposals and understandings, oral or written, relating to such subject matter. To the extent that any terms of this letter conflict with any terms of the Amendment or the Agreement, the terms of this letter shall control. This letter shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

Please indicate your agreement with the foregoing by countersigning and returning a copy of this letter to me.

Very truly yours,

MSCI Inc.

By: /s/ Joko Jacinto
Name: Joko Jacinto
Title: Vice President

ACCEPTED AND AGREED:

BlackRock Fund Advisors, a California corporation

By: /s/ Paul C. Lohrey
Name: Paul C. Lohrey
Title: Managing Director

Exhibit 10.123

February 10, 2016

Robert Qutub
****
******** *******

RE: Transition and Release Agreement

Dear Bob:

In connection with your decision to retire from MSCI, we wish you and your family well in all your future endeavors. We appreciate your willingness to stay with MSCI until the earlier of May 6, 2016 or the effective date of the appointment of a new CFO as your successor (the "**Termination Date**").

This letter sets forth the terms and conditions of our agreement concerning the change of your employment status with MSCI Inc. (the "**Agreement**"). For purposes of this Agreement and the attached Exhibit "A" (the "**Exhibit 'A' Release**"), "MSCI" shall include MSCI Inc. and any and all parents, subsidiaries, predecessors, successors and affiliate corporations, and its and their respective current and former directors, officers, employees, agents, managers, shareholders, successors, assigns, and other representatives.

You have twenty-one (21) days to consider executing this Agreement (the "**Twenty-One (21) Day Period**") and seven (7) days from the date of your execution of this Agreement within which to revoke it (the "**Agreement Revocation Period**"). This Agreement will not become effective or enforceable until the Agreement Revocation Period has expired. Additionally, in order to receive certain of the payments and benefits provided herein, you must execute the Exhibit "A" Release. The Exhibit "A" Release may not be executed earlier than the Termination Date and you will have twenty-one (21) days following the Termination Date to execute and return it. The Exhibit "A" Release will become effective and enforceable seven (7) days after you execute it and do not revoke it.

Information will be sent to your home address about continuing your benefit coverage two to three weeks following the Termination Date. You will have sixty (60) days to elect COBRA coverage. Inquiries about your benefits should be directed to *********** at *********** or ***********.

<u>**Payments and Benefits**</u>

MSCI will continue to pay you all wages and accrued vacation pay due and owing to you through the Termination Date in accordance with applicable law.

Additionally, in exchange for your validly executing and not revoking this Agreement and the Exhibit "A" Release, MSCI will:

(1) Provide you with a special separation payment of One Million Six Hundred Twenty Six Thousand Seven Hundred Seventy Three Dollars ($1,626,773) in a lump sum cash payment within sixty (60) days following the Termination Date (the "**Payment Date**").

(2) Provide you on the Payment Date with a special group health replacement payment of Fourteen Thousand Seven Hundred Seventy One Dollars ($14,771) to assist you to continue to pay for benefits that will otherwise end on the Termination Date (or the end of the month of termination for medical, dental and/or vision coverage). This amount shall be in lieu of claims to continued medical, dental and/or vision coverage, except to the extent you are entitled to and properly elect COBRA continuation coverage. Nothing in this Agreement shall limit the right of MSCI to amend, modify and/or terminate any benefit plan at any time in its sole discretion.

(3) Provide you with “Involuntary Termination” treatment for purposes of your equity awards. Please refer to your Equity Award Agreements for complete details of the terms of your equity awards.

You acknowledge that any vesting or payments are subject to any applicable tax withholding requirements. Except as described above, all terms of your equity-based awards, and any other long-term incentive compensation that MSCI has awarded to you, will remain unchanged, and will not be deemed to be modified by this Agreement in any way. You agree to fully abide by any MSCI policies with respect to the sale of MSCI stock and any window period or other restrictions that may apply or become applicable to you.

This Agreement is intended to meet the requirements of Section 409A of the Internal Revenue Code of 1986, as amended and the regulations and interpretive guidance promulgated thereunder (collectively, “**Section 409A**”), with respect to amounts subject thereto, and will be interpreted and construed consistent with that intent. For purposes of Section 409A, each payment in a series of installment payments provided under this Agreement will be treated as a separate payment. The Termination Date is intended to be your “separation from service” within the meaning of Section 409A. In the event that any provision of this Agreement would fail to satisfy the requirements of Section 409A, MSCI shall be permitted to reform this Agreement to maintain to the maximum extent practicable the original intent thereof without violating the requirements of Section 409A. MSCI makes no representations that the payments provided under this Agreement comply with Section 409A and in no event will MSCI be liable for any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

You acknowledge and accept that remaining on payroll through the Termination Date and receipt of any and all benefits and compensation provided in this Agreement is contingent upon (a) your remaining an employee in good standing and adhering to the terms of this Agreement, the MSCI Code of Conduct and all applicable MSCI policies through the Termination Date, (b) your continuing to serve as the Chief Financial Officer, Principal Financial Officer and Treasurer of the Company and performing all duties and responsibilities related thereto, including without limitation, upon the request of the Company, executing and causing to be filed with the Securities and Exchange Commission (the “**SEC**”) any annual report on Form 10-K and quarterly reports on Form 10-Q required to by filed by the Company through the Termination Date and (c) your execution (no earlier than the Termination Date) and non-revocation thereafter and receipt by MSCI of the Exhibit “A” Release. Subject to the foregoing conditions and the Competitive Activity restrictions set forth below, nothing herein restricts you prior to the Termination Date from seeking or accepting future employment that commences after the Termination Date.

You understand and agree that the foregoing consideration provided to you under the terms of this Agreement is in addition to anything of value to which you are otherwise entitled. You represent, warrant and acknowledge that MSCI owes you no wages, commissions, bonuses, sick or other medical or disability-related pay, personal or other leave-of-absence pay, severance pay, notice pay, vacation pay, or other compensation or payments or forms of remuneration of any kind or nature, other than that specifically provided for in this Agreement.

You also understand and agree that all outstanding claims for expenses properly incurred in the performance of your duties must be submitted as soon as possible but in no event later than two (2) weeks after the Termination Date.

<u>Release of Claims</u>

In exchange for providing you with the enhanced benefits described under the "Payments and Benefits" provision in this Agreement, you agree to waive all claims against MSCI, and to release and forever discharge MSCI, to the fullest extent permitted by law, from any and all liability for any claims, rights or damages of any kind, whether known or unknown to you, that you may have against MSCI as of the date of your execution of this Agreement, arising under any applicable federal, state or local law or ordinance, including but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Equal Pay Act, the Uniform Services Employment and Re-employment Rights Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family And Medical Leave Act, the Employee Retirement Income Security Act, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Older Workers Benefit Protection Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Occupational Safety and Health Act of 1970, the Sarbanes-Oxley Act of 2002, 18 U.S.C. §1514, Sections 748 (h)(i), 922 (h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the "**Dodd Frank Act**"), 7 U.S.C. §26(h), 15 U.S.C. §78u-6(h)(i) and 12 U.S.C. §5567(a) but excluding from this release any right you may have to receive a monetary award from the SEC as an SEC Whistleblower (pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C.. Sec. 26(a)-(g)), or directly from any other federal or state agency pursuant to a similar program; the New York State and City Human Rights Laws, New York Labor Act, New York Equal Pay Law, New York Civil Rights Law, and New York Worker Adjustment and Retraining Notification Act; California Fair Employment and Housing Act, California Labor Code, California Business and Professions Code, California Family Rights Act**,** and California Industrial Welfare Commission Wage Orders; Connecticut Fair Employment Practices Act, Connecticut Equal Pay Law, Connecticut Age Discrimination and Employee Insurance Benefits Law, and Connecticut Family and Medical Leave Law; Illinois Human Rights Act, Illinois Wage Payment and Collection Act, Illinois Equal Pay Act, and Illinois Worker Adjustment and Retraining Notification Law; Massachusetts Fair Employment Practices Act, Massachusetts Equal Rights Act, Massachusetts Equal Pay Law, Massachusetts Age Discrimination Law, and Massachusetts Equal Rights for Elderly and Disabled Law; Maryland Fair Employment Practices Act; Maryland Wage and Hour Law; Maryland Wage Payment and Collection Law; Oklahoma Anti-Discrimination Act; Oklahoma Equal Pay Act; Oklahoma Genetic Nondiscrimination in Employment Act; Oklahoma Minimum Wage Act; Michigan Elliott-Larsen Civil Rights Act; Michigan Persons with Disabilities Civil Rights Act; Michigan Payment of Wages and Fringe Benefits Act; Michigan Minimum Wage Act; and any other federal, state or local statute or constitutional provision governing employment; all tort, contract (express or implied), common law, and public policy claims of any type whatsoever; all claims for invasion of privacy, defamation, intentional infliction of emotional distress, injury to reputation, pain and suffering, constructive and wrongful discharge, retaliation, wages, monetary or equitable relief, vacation pay, grants or awards under any unvested and/or cancelled equity and/or incentive compensation plan or program, separation and/or severance pay under any separation or severance pay plan maintained by MSCI, any other employee fringe benefits plans, medical plans, or attorneys' fees; or any demand to seek discovery of any of the claims, rights or damages previously enumerated herein (collectively, the "**Release of Claims**").

This Agreement is not intended to, and does not, release rights or claims that may arise after the date of your execution hereof, including without limitation any rights or claims that you may have to secure enforcement of the terms and conditions of this Agreement. To the extent any claim, charge, complaint or action covered by the Release of Claims is brought by you, for your benefit or on your behalf, you expressly waive any claim to any form of monetary or other damages, including attorneys' fees and costs, or any other form of personal recovery or relief in connection with any such claim, charge, complaint or action. You further agree to dismiss with prejudice any pending civil lawsuit or arbitration covered by the Release of Claims. For purposes of this Agreement, "**you**" shall include your heirs, executors, administrators, attorneys, representatives, successors and assigns.

This Release of Claims does not waive any rights you may have been granted under the Certificate of Incorporation or Bylaws of MSCI to be indemnified relating to your actions on behalf of MSCI in the scope of and during the course of your employment by MSCI. Nor does anything in this Agreement impair your rights to vested retirement, pension or 401(k) benefits, if any, due you by virtue of your employment by MSCI, or any elections, notices or benefits for which you are eligible as a separated employee of MSCI.

Nothing in this Agreement shall be construed as waiving or releasing any claims that are not releasable by law, including the right report any possible violation of law to a governmental entity or law enforcement, make a disclosure that is protected under the whistleblower protections of applicable law and/or participate in a governmental investigation. MSCI may not retaliate against you for any of these foregoing activities. You agree that you are not entitled to and will not accept any monetary award from MSCI or other relief from MSCI in connection with any such charge, report or investigation.

Confidentiality, Firm Property, Non-Disclosure and Non-Disparagement

Subject to the last paragraph of the "Release of Claims" provision in this Agreement:

You acknowledge that in the course of your employment with MSCI you have or may have acquired non-public privileged or confidential information and trade secrets concerning MSCI's business, operations, legal matters and resolution or settlement thereof, internal investigations, customer and employee information and lists, hiring, staffing and compensation practices, studies and analyses, plans, funding, financing and methods of doing business whether in hard copy, electronic or other format ("**Confidential and Proprietary Information**"). You understand and agree that it would be damaging to MSCI if such Confidential and Proprietary Information were disclosed to any competitor of MSCI or any third party or person. You further understand and agree that all Confidential and Proprietary Information has been divulged to you in confidence, and you agree to not disclose or cause or permit to be disclosed, directly or indirectly, any Confidential and Proprietary Information to any third party or person, and to keep all Confidential and Proprietary Information secret and confidential, without limitation in time. Your use of Confidential and Proprietary Information will stop immediately upon the termination of your employment with MSCI. You will not remove Confidential and Proprietary Information from any MSCI facility or system in original, electronic or copied form. Upon the termination of your employment, you will immediately deliver to MSCI any Confidential and Proprietary Information in your possession or control. You will not at any time assert any claim of ownership or other property interest in any such Confidential and Proprietary Information. You will permit MSCI to inspect any material to be removed from MSCI offices when you cease to work at any MSCI facility. You will not disclose, directly or indirectly, to any person or entity the contents, in whole or in part, of such Confidential and Proprietary Information. PLEASE UNDERSTAND THAT YOUR LEGAL OBLIGATION NOT TO USE OR DISCLOSE CONFIDENTIAL AND PROPRIETARY INFORMATION OF MSCI EXISTS WHETHER OR NOT YOU ENTER INTO THIS AGREEMENT.

You further agree to return, at the time your employment ends, any MSCI equipment and property including, but not limited to, identification materials, computers, printers, facsimile machines, corporate credit cards, portable telephones and wireless devices (e.g., any laptop, BlackBerry, iPhone, tablet and similar devices) that you possess or control but that are not in MSCI's offices.

During the course of your employment with MSCI, you may have been instructed by the Legal and Compliance Department ("**LCD**") to preserve information, documents or other materials, whether in physical or electronic form, in connection with litigation, investigations, or proceedings. You acknowledge that you have taken all necessary steps to comply with any notices you received from LCD to preserve such information, documents or materials. Furthermore, you acknowledge that you have notified your supervisor or a member of LCD of the location of all such information, documents or materials currently in your possession.

Unless permitted under the "Exceptions" provision in this Agreement, you also agree that you will not disclose, or cause or permit to be disclosed in any way, the terms of this Agreement, except to your legal representatives, your immediate family, your financial representatives or accountants, the taxing authorities, a governmental entity or law enforcement or if necessary for the purpose of enforcing this Agreement, provided that all such private parties to whom disclosure is permitted under this paragraph are informed of the confidentiality provisions of this Agreement and agree to be bound thereby. You acknowledge that MSCI may publicly disclose this Agreement or its terms in regulatory filings or as otherwise required by applicable law, rule or regulation.

Unless you are reporting a possible violation of law to a governmental entity or law enforcement, making a disclosure that is protected under the whistleblower protection of applicable law and/or participating in a governmental investigation or unless otherwise prohibited by applicable law, you agree to give prompt notice to MSCI in writing, addressed to MSCI's Office of the General Counsel, 7 World Trade Center, 250 Greenwich Street, New York NY 10007, by telephone 212-804-2930 and by facsimile 212-804-2906, of any subpoena or judicial, administrative or regulatory inquiry or proceeding or lawsuit in which you are required or requested to disclose information relating to MSCI, prior to such disclosure. Such written notice must be given to the General Counsel within two (2) business days of your receipt of any such request or order so that MSCI may take whatever action it may deem necessary or appropriate to prevent such disclosure or testimony. You also agree that you will, within two (2) business days of your receipt, provide to the General Counsel by facsimile or overnight delivery to the above address, a copy of all legal papers and documents served upon you. Additionally, you agree that in the event you are served with such subpoena, court order, directive or other process, you will meet with MSCI's General Counsel or his or her designee in advance of giving such testimony or information, unless any such prior meeting requirement is prohibited by law.

You also agree that you will not make any defamatory or disparaging statements about MSCI, or its business, strategic plans, products, practices, policies, or personnel, in any medium or to any third person or entity, without limitation in time. Nothing in this paragraph is intended to limit in any way your ability to compete fairly with MSCI in the future or to confer in confidence with your legal representatives. MSCI agrees that it will use reasonable efforts to ensure that its current executive officers will not make any defamatory or disparaging statements about you while they are employed by MSCI in any medium or to any third person or entity. Notwithstanding these non-defamation and non-disparagement provisions, it shall not be a violation of the terms of this paragraph for any person to make truthful statements when required by court order or as otherwise required by law.

You also agree that, unless you have prior written authorization from MSCI, you will not disclose, participate in the disclosure, or allow disclosure of any information about MSCI or its present or former clients, executives, other employees, or Board members, or about legal matters involving MSCI and resolution or settlement thereof, or any aspects of your employment with MSCI or of the termination of such employment, to any reporter, author, producer or similar person or entity, or take any other action likely to result in such information being made available to the general public in any form, including, without limitation, books, articles or writings of any other kind, as well as film, videotape, television or other broadcasts, audio tape, electronic/Internet format or any other medium. You further agree that you will not use or take any action likely to result in the use of any of MSCI's names or any abbreviation thereof in connection with any publication to the general public in any medium in a manner that suggests, directly or indirectly, endorsement by or a business connection to MSCI or appears to leverage the MSCI brand.

Competitive Activity

In consideration of the enhanced benefits described under the "Payments and Benefits" provision in this Agreement, MSCI requires that prior to the Termination Date and during a restrictive period of one (1) year following the Termination Date (the "**Restricted Period**"), you will not directly or indirectly, on your own account or on behalf of or in conjunction with any other person (other than where authorized in writing by MSCI) engage in Competitive Activity (as defined below). You may be required to provide MSCI with a written certification or other evidence that it deems appropriate, in its sole discretion, to confirm that you have not engaged in Competitive Activity.

"**Competitive Activity**" means entering into any arrangement with a Competitor (as defined below) whereby you would be responsible for providing or managing others who are providing services:

a) that are similar or substantially related to the services that you provided to MSCI at any time during the one (1)-year period preceding the date of your termination of employment with MSCI;

b) that you had direct or indirect managerial or supervisory responsibility for at MSCI at any time during the one (1)-year period preceding the date of your termination of employment with MSCI; or

c) that involve the application of the same or similar specialized knowledge or skills as those utilized by you in your services at MSCI at any time during the one (1)-year period preceding the date of your termination;

provided that acquisition solely by you or in concert with others of 5% or greater equity, voting or other financial interest in a publicly traded company that could be deemed a Competitor shall be deemed Competitive Activity.

The term "**Competitor**" means any group company of the following firms: London Stock Exchange, FTSE, Russell, S&P, CME, NYSE, ICE, STOXX, Morningstar, Advanced Portfolio Technologies, Axioma, Bloomberg, Capital IQ, FactSet, Northfield, Wilshire Analytics, Algorithmics, BlackRock, Imagine Software, KMV, State Street Analytics and SunGard Data Systems Inc.

Exceptions

This Agreement does not prohibit or restrict you from lawfully (A) communicating or cooperating with, providing relevant information to, or otherwise assisting or participating in an investigation by any governmental or regulatory body or official(s) or self-regulatory organization regarding a possible violation of any federal law relating to fraud or any rule or regulation of the SEC; (B) filing an administrative complaint with the Equal Employment Opportunity Commission, U.S. Department of Labor, National Labor Relations Board, or other federal, state or local agency responsible for administering fair employment, wage-hour, labor and other employment laws and regulations; (C) cooperating in an investigation, or responding to an inquiry from any such agency; (D) testifying, participating in, or otherwise assisting in an action or proceeding relating to a possible violation of any such law, rule or regulation; or (E) reporting a violation of law or making a disclosure that is protected under the whistleblower protections of applicable law; provided, however, that you agree to waive any claim for individual monetary relief in connection with any such administrative complaint or charge. In addition, nothing in this Agreement precludes you from benefiting from classwide injunctive relief awarded in any employment case brought by any governmental agency or private party, provided that such relief does not result in your receipt of any monetary benefit or equivalent thereof. You acknowledge and agree that you are waiving any right to recover any monetary damages or any other form of personal relief in connection with any such action, investigation or proceeding.

Any non-disclosure provision in this Agreement does not prohibit or restrict you or your attorneys from responding to any inquiry about this Agreement or its underlying facts and circumstances by the SEC, the Financial Industry Regulatory Authority or any other self-regulatory organization.

Further Promises

In addition, you agree to reasonably cooperate with and assist MSCI in connection with any investigation, regulatory matter, lawsuit or arbitration in which MSCI is a subject, target or party and as to which you may have pertinent information. You agree to make yourself reasonably available for preparation for hearings, proceedings or litigation and for attendance at any pre-trial discovery and trial sessions. MSCI agrees to make every reasonable effort to provide you with reasonable notice in the event your participation is required. MSCI agrees to reimburse reasonable out-of-pocket costs incurred by you as the direct result of your participation, provided that such out-of-pocket costs are supported by appropriate documentation and have prior authorization of MSCI. You further agree to perform all acts and execute any and all documents that may be necessary to carry out the provisions of this paragraph.

You also agree that during the Restricted Period, you will not, directly or indirectly, in any capacity (including through any person, corporation, partnership or other business entity of any kind), hire or solicit, recruit, induce, entice, influence, or encourage any MSCI employee to leave MSCI or become hired or engaged by another firm. The restrictions in this paragraph shall apply only to employees with whom you worked or had professional or business contact, or who worked in or with your business unit.

You acknowledge that the confidentiality, non-disclosure, non-disparagement, non-competition and non-solicitation provisions herein are material terms of this Agreement. In the event you breach or threaten to breach any of the confidentiality, non-disclosure, non-disparagement, non-competition or non-solicitation provisions in this Agreement, you acknowledge that such breach or threatened breach shall cause irreparable harm to MSCI, entitling MSCI, at its option, to seek immediate injunctive relief from a court of competent jurisdiction, without waiver of any other rights or remedies available in a court of law or equity.

You acknowledge that you have executed this Agreement voluntarily, free of any duress of coercion. MSCI has urged you to obtain the advice of an attorney or other representative of your choice, unrelated to MSCI, before executing this Agreement, and you acknowledge that you have had the opportunity to do so. Further, you acknowledge that you have a full understanding of the terms of this Agreement.

Your executed Agreement must be returned to the undersigned at the above address. If you execute this Agreement prior to the end of the Twenty One (21)-Day Period, you agree and acknowledge that: (i) your execution was a knowing and voluntary waiver of your right to consider this Agreement for the full twenty-one (21) days; and (ii) you had sufficient time in which to consider and understand this Agreement, and to review it with your attorney or other representative of your choice, if you wished. Any revocation of this Agreement must be in writing and returned to the undersigned at the above address via certified U.S. Mail, Return Receipt Requested. In the event that you revoke this Agreement, you acknowledge that you will not be entitled to receive, and agree not to accept, any payments or benefits under this Agreement. You agree that your acceptance of any such payments or benefits will constitute an acknowledgment that you did not revoke this Agreement.

BY SIGNING THIS AGREEMENT AND RELEASE YOU ACKNOWLEDGE THAT YOU ARE KNOWINGLY AND VOLUNTARILY WAIVING AND RELEASING ANY AND ALL RIGHTS YOU MAY HAVE AGAINST MSCI UP TO THE DATE OF YOUR EXECUTION OF THIS AGREEMENT UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT, THE OLDER WORKERS BENEFIT PROTECTION ACT, AND ALL OTHER APPLICABLE DISCRIMINATION LAWS, STATUTES, ORDINANCES OR REGULATIONS.

This Agreement (together with its exhibits) is the entire agreement between you and MSCI, and supersedes any and all oral and written agreements between you and MSCI, on the topics covered herein, except for any prior agreements and commitments on your part concerning confidential information, trade secrets, copyrights, patents or other intellectual property and the like, which shall continue in effect in accordance with their terms. By offering and entering into this Agreement, neither you nor MSCI admits any liability or wrongdoing toward the other whatsoever. This Agreement may not be changed, except by a writing signed both by you and MSCI specifically for that purpose.

This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of New York. If any portion of this Agreement should ever be determined to be unenforceable, the other provisions of this Agreement shall remain in full force and effect.

If you have any questions, please let me know. If these terms are acceptable, sign and date the letter below and return the original signed copy to me. An extra copy is enclosed for your records.

Sincerely,

/s/ Scott Crum
Scott Crum
Chief Human Resources Officer
MSCI Inc.

AGREED AND ACCEPTED:

/s/ Robert Qutub
Robert Qutub

DATE: February 10, 2016

EXHIBIT “A” RELEASE

NOT TO BE EXECUTED PRIOR TO EMPLOYMENT TERMINATION DATE

I, Robert Qutub, the undersigned, and MSCI entered into a *Transition and Release Agreement* (the “Agreement”) dated as of February 10, 2016, which I executed on ___________ __, 2016, of which this Exhibit “A’ Release forms a part. For purposes of this Exhibit “A” Release, MSCI shall be defined the same as in the Agreement.

MSCI and I agree that this Exhibit “A” Release will become effective seven (7) days after I sign it and do not revoke it. I understand and agree that I may not sign the Exhibit “A” Release prior to the Termination Date specified in the Agreement. Upon the effective date of the Exhibit “A” Release, I will be entitled to the payment and benefits described in the Agreement, in the manner and under the terms and conditions set forth in the Agreement.

In exchange for providing me with the enhanced benefits described under the “Payments and Benefits” provision in the Agreement, I agree to waive all claims against MSCI, and to release and forever discharge MSCI, to the fullest extent permitted by law, from any and all liability for any claims, rights or damages of any kind, whether known or unknown to me, that I may have against MSCI as of the date of my execution of this Exhibit “A” Release, arising under any applicable federal, state or local law or ordinance, including but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Equal Pay Act, the Uniform Services Employment and Re-employment Rights Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family And Medical Leave Act, the Employee Retirement Income Security Act, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Older Workers Benefit Protection Act, the Worker Adjustment Retraining and Notification Act, the Occupational Safety and Health Act of 1970, the Sarbanes-Oxley Act of 2002, 18 U.S.C. §1514, Sections 748 (h)(i), 922 (h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the “**Dodd Frank Act**”), 7 U.S.C. §26(h), 15 U.S.C. §78u-6(h)(i) and 12 U.S.C. §5567(a) but excluding from this release any right you may have to receive a monetary award from the Securities and Exchange Commission (“**SEC**”) as an SEC Whistleblower (pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C.. Sec. 26(a)-(g)), or directly from any other federal or state agency pursuant to a similar program, the New York State and City Human Rights Laws, New York Labor Act, New York Equal Pay Law, New York Civil Rights Law, and New York Worker Adjustment Retraining and Notification Act; California Fair Employment and Housing Act, California Labor Code, California Business and Professions Code, California Family Rights Act**,** and California Industrial Welfare Commission Wage Orders; Connecticut Fair Employment Practices Act, Connecticut Equal Pay Law, Connecticut Age Discrimination and Employee Insurance Benefits Law, and Connecticut Family and Medical Leave Law; Illinois Human Rights Act, Illinois Wage Payment and Collection Act, Illinois Equal Pay Act, and Illinois Worker Adjustment and Retraining Notification Law; Massachusetts Fair Employment Practices Act, Massachusetts Equal Rights Act, Massachusetts Equal Pay Law, Massachusetts Age Discrimination Law, and Massachusetts Equal Rights for Elderly and Disabled Law; Maryland Fair Employment Practices Act; Maryland Wage and Hour Law; Maryland Wage Payment and Collection Law; Oklahoma Anti-Discrimination Act; Oklahoma Equal Pay Act; Oklahoma Genetic Nondiscrimination in Employment Act; Oklahoma Minimum Wage Act; Michigan Elliott-Larsen Civil Rights Act; Michigan Persons with Disabilities Civil Rights Act; Michigan Payment of Wages and Fringe Benefits Act; Michigan Minimum Wage Act; and any other federal, state or local statute or constitutional provision governing employment; all tort, contract (express or implied), common law, and public policy claims of any type whatsoever; all claims for invasion of privacy, defamation, intentional infliction of emotional distress, injury to reputation, pain and suffering, constructive and wrongful discharge, retaliation, wages, monetary or equitable relief, vacation pay, grants or awards under any unvested and/or cancelled equity and/or incentive compensation plan or program, separation and/or severance pay under any separation or severance pay plan maintained by MSCI, any other employee fringe benefits plans, medical plans, or attorneys’ fees; or any demand to seek discovery of any of the claims, rights or damages previously enumerated herein (collectively, the “**Exhibit ‘A’ Release of Claims**”).

This Exhibit “A” Release is not intended to, and does not, release rights or claims that may arise after the date of my execution hereof, including without limitation any rights or claims that I may have to secure enforcement of the terms and conditions of the Agreement or the Exhibit “A” Release. To the extent any claim, charge, complaint or action covered by the Release of Claims in the Agreement and the Exhibit “A” Release of Claims is brought by me, for my benefit or on my behalf, I expressly waive any claim to any form of individual monetary or other damages, including attorneys’ fees and costs, or any other form of personal recovery or relief in connection with any such claim, charge, complaint or action. I further agree to dismiss with prejudice any pending civil lawsuit or arbitration covered by the Release of Claims in the Agreement and the Exhibit “A” Release of Claims. For purposes of this Exhibit “A” Release, “**I**” shall include my heirs, executors, administrators, attorneys, representatives, successors and assigns.

The Agreement and this Exhibit “A” Release, however, do not waive any rights I may have been granted under the Certificate of Incorporation or Bylaws of MSCI relating to my actions on behalf of MSCI in the scope of and during the course of my employment by MSCI. Nor does anything in the Agreement and this Exhibit “A” Release impair my rights to vested retirement, pension, retiree medical or 401(k) benefits, if any, due me by virtue of my employment by MSCI, or any elections, notices or benefits for which I am eligible as a separated employee of MSCI.

Nothing in the Agreement or this Exhibit “A” release shall be construed as waiving or releasing any claims that are not releasable by law, including the right report any possible violation of law to a governmental entity or law enforcement, make a disclosure that is protected under the whistleblower protections of applicable law and/or participate in a governmental investigation. MSCI may not retaliate against you for any of these foregoing activities. I agree that I am not entitled to and will not accept any monetary award from MSCI or other relief from MSCI in connection with any such charge, report or investigation.

I acknowledge that I am executing this Exhibit “A” Release voluntarily, free of any duress or coercion. MSCI has urged me to obtain the advice of an attorney or other representative of my choice, unrelated to MSCI, prior to executing this Exhibit “A” Release, and I acknowledge that I have had the opportunity to do so. Further, I acknowledge that I have a full understanding of the terms of the Agreement and this Exhibit “A” Release. I understand that the execution of this Exhibit “A” Release is not to be construed as an admission of liability or wrongdoing by MSCI or me.

I acknowledge that I have been given at least twenty-one (21) days within which to consider executing this Exhibit “A” Release (the “**Twenty One (21)-Day Period**”) and seven (7) days from the date of my execution of this Exhibit “A” Release within which to revoke it (the “**Exhibit ‘A’ Revocation Period**”). I understand that my executed Exhibit “A” Release must be returned to Human Resources. If I execute the Exhibit “A” Release prior to the end of the Twenty One (21)-Day Period, I agree and acknowledge that: (i) my execution was a knowing and voluntary waiver of my rights to consider this Exhibit “A” Release for the full twenty-one (21) days; and (ii) I had sufficient time in which to consider and understand the Exhibit “A” Release, and to review it with an attorney or other representative of my choice, if I wished. Any revocation of this Exhibit “A” Release must be in writing and returned to Human Resources, via certified U.S. Mail, Return Receipt Requested. In the event that I revoke this Exhibit “A” Release, I acknowledge that I will not be entitled to receive, and agree not to accept, any payments or benefits described in the Agreement. I agree that my acceptance of any such payments or benefits will constitute an acknowledgment that I did not revoke the Exhibit “A” Release. This Exhibit “A” Release will not become effective or enforceable until the Exhibit “A” Revocation Period has expired.

BY SIGNING THIS EXHIBIT “A” RELEASE, I ACKNOWLEDGE THAT I AM KNOWINGLY AND VOLUNTARILY WAIVING AND RELEASING ANY AND ALL RIGHTS I MAY HAVE AGAINST MSCI UP TO THE DATE OF MY EXECUTION OF THIS EXHIBIT “A” RELEASE UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT, THE OLDER WORKERS BENEFIT PROTECTION ACT, AND ALL OTHER APPLICABLE DISCRIMINATION LAWS, STATUTES, ORDINANCES OR REGULATIONS.

AGREED AND ACCEPTED:

____
Robert Qutub

DATE: __________

Exhibit 10.126

A.N.: 130339
AMD_00126443.0

AMENDMENT

Date of Amendment: April 15, 2014

AMENDMENT (this "Amendment") to that certain Amendment (MSCI reference number AMD_00119879.0) dated January 23, 2014 (the "Modification") to the Index License Agreement for Funds (MSCI reference number IXF_00040) dated as of March 18, 2000 (as previously amended, the "Agreement") by and between MSCI Inc. (formerly known as Morgan Stanley Capital International Inc.) ("MSCI") and BlackRock Institutional Trust Company, N.A. (formerly known as Barclays Global Investors, N.A.) ("Licensee"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Modification or the Agreement, as the case may be.

1. Section 2 of the Modification is hereby deleted in its entirety and replace with the following:

Licensee may use the Indexes set forth in Section 1 above solely with respect to the following Funds (each, an "IMI ETF" and each IMI ETF shall also be a "Fund" as such term is defined in the Agreement):

- iShares Core MSCI Europe ETF
- iShares Core MSCI Pacific ETF

Or such other names as agreed by Licensee and MSCI in writing.

The IMI ETFs shall be exchange traded funds listed on a national securities exchange located in the United States.

2. This Amendment is intended to amend and operate in conjunction with the Modification and Agreement, and together this Amendment, the Modification and the Agreement constitute the complete and exclusive statement of the agreement between the parties and supersede in full all prior proposals and understandings, oral or written, relating to the subject matter hereof. To the extent that this Amendment conflicts with the Modification or the Agreement, this Amendment shall control. No right or license of any kind is granted to Licensee except as expressly provided in the Modification, the Agreement and this Amendment.

3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict or choice of laws principles.

ACKNOWLEDGED AND AGREED

LICENSEE: BlackRock Institutional Trust Company, N.A.		MSCI Inc.	
By	/s/ Paul C. Lohrey	By	/s/ David Kinzelberg
Name	PAUL C. LOHREY (printed)	Name	DAVID KINZELBERG
Title	MANAGING DIRECTOR	Title	EXECUTIVE DIRECTOR
Date	APRIL 16, 2014	Date	

EXHIBIT 21.1

Subsidiaries of MSCI Inc.

NAME	Jurisdiction of Incorporation/Organization
Barra, LLC	Delaware, USA
Investment Property Databank Limited	Illinois, USA
RiskMetrics Group, LLC	Delaware, USA
MSCI Australia Pty Limited	Australia
MSCI Barra Financial Information Consultancy (Shanghai) Limited	Shanghai
MSCI Barra SA	Switzerland
MSCI Canada Inc.	Canada
MSCI Chile Limitada	Chile
MSCI ESG Research Inc.	Delaware, USA
MSCI Services Private Limited	India
MSCI Kft.	Hungary
MSCI Holdings LLC	Delaware, USA
MSCI S. de R.L. de C.V.	Mexico
MSCI Hong Kong Management Limited	Hong Kong
MSCI SCOT 1 LP (Limited Partner)	Scotland
Investor Force Holdings, Inc.	Delaware, USA

Subsidiaries of Barra, LLC

NAME	Jurisdiction of Incorporation/Organization
Barra International, LLC	Delaware, USA
Barra Japan K.K.	Japan
Financial Engineering Associates Inc.	California, USA

Subsidiaries of Barra International, LLC

NAME	Jurisdiction of Incorporation/Organization
BarraConsult, Ltda.	Brazil

Subsidiaries of RiskMetrics Group, LLC

NAME	Jurisdiction of Incorporation/Organization
RiskMetrics Group Holdings, LLC	Delaware, USA

Subsidiaries of RiskMetrics Holdings, LLC

NAME	Jurisdiction of Incorporation/Organization
RiskMetrics Solutions, LLC	Delaware, USA

Subsidiaries of RiskMetrics Solutions, LLC

NAME	Jurisdiction of Incorporation/Organization
RiskMetrics (Singapore) Private Limited	Singapore
Measurisk LLC	Delaware, USA

Subsidiaries of MSCI Hong Kong Management Limited

NAME	Jurisdiction of Incorporation/Organization
MSCI Hong Kong Limited	Hong Kong
MSCI Taiwan Limited	Taiwan

Subsidiaries of MSCI Holdings LLC

NAME	Jurisdiction of Incorporation/Organization
MSCI SCOT 1 LP (General Partner)	Scotland

Subsidiaries of MSCI SCOT 1 LP

NAME	Jurisdiction of Incorporation/Organization
MSCI GP I LLC	Delaware, USA
MSCI SCOT 2 LP (Limited Partner)	Scotland

Subsidiaries of Investor Force Holdings, Inc.

NAME	Jurisdiction of Incorporation/Organization
Investor Force, Inc.	Delaware, USA
Investor Force Securities, Inc.	Delaware, USA

Subsidiaries of MSCI ESG Research Inc.

NAME	Jurisdiction of Incorporation/Organization
KLD Research & Analytics, Inc.	Massachusetts, USA
MSCI ESG Research (Australia) Pty Ltd.	Australia
MSCI ESG Research (France)	France
MSCI ESG Research (UK) Limited	United Kingdom

Subsidiaries of MSCI ESG Research (UK) Limited

NAME	Jurisdiction of Incorporation/Organization
GMI Ratings Ltd.	United Kingdom

Subsidiaries of MSCI GP I LLC

NAME	Jurisdiction of Incorporation/Organization
MSCI SCOT 2 LP (General Partner)	Scotland

Subsidiaries of MSCI SCOT 2 LP

NAME	Jurisdiction of Incorporation/Organization
MSCI Cayman Limited	Cayman Islands
MSCI GP II LLC	Delaware

Subsidiaries of MSCI Cayman Limited

NAME	Jurisdiction of Incorporation/Organization
MSCI UK Holdings Limited	United Kingdom

Subsidiaries of MSCI UK Holdings Limited

NAME	Jurisdiction of Incorporation/Organization
MSCI Limited	United Kingdom
RiskMetrics (UK) Limited	United Kingdom

Subsidiaries of MSCI Limited

NAME	Jurisdiction of Incorporation/Organization
IPD Group Limited	United Kingdom

Subsidiaries of IPD Group Limited

NAME	Jurisdiction of Incorporation/Organization
IPD France	France
IPD Investment Property Databank GMBH	Germany
IPD Norden AB	Sweden
Investment Property Databank Limited	United Kingdom
KK IPD Japan	Japan
Investment Property Databank Proprietary Ltd.	Australia
Investment Property Databank South Africa (Proprietary) Limited	South Africa
IPD Nederland B.V.	Netherlands

Subsidiaries of IPD Nederland B.V.

NAME	Jurisdiction of Incorporation/Organization
Aedex Colleges B.V.	Netherlands

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 No. 333-147540, No. 333-165888 and No. 333-167624 and on Form S-3 No. 333-206232 of MSCI Inc. of our report dated February 26, 2016, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers, LLP
New York, New York
February 26, 2016

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements No. 333-147540, No. 333-165888 and No. 333-167624 on Form S-8 and the Registration Statement No. 333-206232 on Form S-3 of our report dated February 28, 2014 (February 27, 2015 as to the effects of discontinued operations discussed in Note 3 and February 26, 2016 as to the change in segments as discussed in Note 13), relating to the consolidated financial statements of MSCI Inc. appearing in this Annual Report on Form 10-K of MSCI Inc. for the year ended December 31, 2015.

/s/ Deloitte & Touche LLP
New York, New York
February 26, 2016

EXHIBIT 31.1

SECTION 302 CERTIFICATION

I, Henry A. Fernandez, certify that:

1. I have reviewed this Annual Report on Form 10-K of MSCI Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Henry A. Fernandez

Henry A. Fernandez
Chairman, Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Robert Qutub, certify that:

1. I have reviewed this Annual Report on Form 10-K of MSCI Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2016

/s/ Robert Qutub
Robert Qutub
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Henry A. Fernandez, Chairman, CEO and President of MSCI Inc. (the “Registrant”) and Robert Qutub, the Chief Financial Officer of the Registrant, each hereby certifies that, to the best of his knowledge:

1. The Registrant’s Annual Report on Form 10-K for the period ended December 31, 2015, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition of the Registrant at the end of the period covered by the Periodic Report and results of operations of the Registrant for the periods covered by the Periodic Report.

Date: February 26, 2016

/s/ Henry A. Fernandez
Henry A. Fernandez
Chairman, Chief Executive Officer and President
(Principal Executive Officer)

/s/ Robert Qutub
Robert Qutub
Chief Financial Officer
(Principal Financial Officer)