Welcome & Opening Remarks

SALLI SCHWARTZ
HEAD OF INVESTOR RELATIONS & TREASURER
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, MSCI's full-year 2021 guidance and long-term targets. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "will," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential" or "continue," or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond MSCI's control and that could materially affect actual results, levels of activity, performance or achievements.

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

Percentage changes and totals in this presentation may not sum due to rounding.

Gross sales include both new recurring subscription and non-recurring sales as reported in Table 6: Sales and Retention Rate by Segment (unaudited) of the press release reporting MSCI's financial results for fourth quarter 2020.

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. While operating revenues adjusted for the impact of foreign currency fluctuations includes asset-based fees that have been adjusted for the impact of foreign currency fluctuations, the underlying assets under management ("AUM"), which is the primary component of asset-based fees, is not adjusted for foreign currency fluctuations. More than three-fifths of the AUM are invested in securities denominated in currencies other than the U.S. dollar, and accordingly, any such impact is excluded from the disclosed foreign currency adjusted variances.

MSCI has not independently verified the Burgiss-related information included on or statements made with respect to pages 96 through 109. The Burgiss Group, LLC assumes sole responsibility for the accuracy and completeness of such information and statements. The Burgiss Group, LLC does not undertake to update forward-looking statements to reflect the impact of subsequent events or circumstances, except as required by law.

On February 23, 2021, the Board authorized MSCI to opportunistically explore financing options, the proceeds of which could be used to refinance existing debt. Such a financing could marginally increase MSCI's leverage ratio and interest expense. Any potential financing is subject to market and other conditions, and there can be no assurance as to the timing or certainty of a transaction.
# Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 am</td>
<td><strong>Welcome &amp; Opening Remarks</strong>&lt;br&gt;Salli Schwartz&lt;br&gt;Head of Investor Relations &amp; Treasurer</td>
</tr>
<tr>
<td></td>
<td><strong>Transforming the Investment World</strong>&lt;br&gt;Henry Fernandez&lt;br&gt;Chairman &amp; Chief Executive Officer</td>
</tr>
<tr>
<td></td>
<td><strong>Maximizing Competitive Advantages</strong>&lt;br&gt;Baer Pettit&lt;br&gt;President &amp; Chief Operating Officer</td>
</tr>
<tr>
<td></td>
<td><strong>Delivering Client-Centric Solutions</strong>&lt;br&gt;Alvise Munari&lt;br&gt;Global Head of Client Coverage</td>
</tr>
<tr>
<td></td>
<td><strong>Supercharging Index Growth</strong>&lt;br&gt;Diana Tidd&lt;br&gt;Head of Index &amp; Chief Responsibility Officer</td>
</tr>
<tr>
<td></td>
<td><strong>Driving the Sustainable Investing Revolution</strong>&lt;br&gt;Remy Briand&lt;br&gt;Head of ESG &amp; Climate</td>
</tr>
<tr>
<td>10:05 am</td>
<td><strong>Q&amp;A Session</strong></td>
</tr>
<tr>
<td>10:25 am</td>
<td><strong>Break</strong></td>
</tr>
<tr>
<td>10:30 am</td>
<td><strong>Modernizing Portfolio Management through Analytics</strong>&lt;br&gt;Jorge Mina&lt;br&gt;Head of Analytics</td>
</tr>
<tr>
<td></td>
<td><strong>Innovating Private Asset Investing</strong>&lt;br&gt;Jay McNamara&lt;br&gt;President, Burgiss</td>
</tr>
<tr>
<td></td>
<td><strong>Reimagining the Investment Process</strong>&lt;br&gt;Peter Zangari&lt;br&gt;Global Head of Research &amp; Product Development</td>
</tr>
<tr>
<td></td>
<td><strong>Revolutionizing the Investment World through Data &amp; Technology</strong>&lt;br&gt;Jigar Thakkar&lt;br&gt;Chief Technology Officer &amp; Head of Engineering</td>
</tr>
<tr>
<td></td>
<td><strong>Powering Compounding Returns</strong>&lt;br&gt;Andy Wiechmann&lt;br&gt;Chief Financial Officer</td>
</tr>
<tr>
<td>11:40 am</td>
<td><strong>Q&amp;A Session</strong></td>
</tr>
</tbody>
</table>
### Speakers: Seasoned Leaders with Deep Expertise

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Key Roles</th>
<th>Year Joined MSCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>HENRY FERNANDEZ</td>
<td>Chairman &amp; CEO</td>
<td>1996</td>
</tr>
<tr>
<td>BAER PETTIT</td>
<td>President &amp; COO</td>
<td>2000</td>
</tr>
<tr>
<td>ALVISE MUNARI</td>
<td>Global Head of Client Coverage</td>
<td>2015</td>
</tr>
<tr>
<td>DIANA TIDD</td>
<td>Head of Index &amp; CRO¹</td>
<td>1999</td>
</tr>
<tr>
<td>REMY BRIAND</td>
<td>Head of ESG &amp; Climate</td>
<td>2001</td>
</tr>
<tr>
<td>JORGE MINA</td>
<td>Head of Analytics</td>
<td>1998</td>
</tr>
<tr>
<td>JAY McNamara</td>
<td>President, Burgiss</td>
<td>2020² Formerly with MSCI 2002-2020</td>
</tr>
<tr>
<td>PETER ZANGARI</td>
<td>Global Head of Research &amp; Product Development</td>
<td>2011</td>
</tr>
<tr>
<td>Jigar Thakkar</td>
<td>CTO &amp; Head of Engineering</td>
<td>2018</td>
</tr>
<tr>
<td>ANDY WIECHMANN</td>
<td>CFO</td>
<td>2012</td>
</tr>
<tr>
<td>Salli Schwartz</td>
<td>Head of IR &amp; Treasurer</td>
<td>2019</td>
</tr>
</tbody>
</table>

Note: Year joined MSCI; ¹Chief Responsibility Officer; ²Assumed role of President at Burgiss.
Transforming the Investment World

HENRY FERNANDEZ
CHAIRMAN & CHIEF EXECUTIVE OFFICER
Key Messages: Uniquely Positioned to Transform the Investment World

01 Our vision is to be a change agent for an investment industry modernizing, becoming more efficient and creating greater scale to serve societies better.

02 Our mission is to enable investors to build better portfolios for a better world leveraging state-of-the-art models and analytics, and data and technology.

03 Our strategy is to support the investment process needs of our clients with highly differentiated solutions supported by best-in-class capabilities.

04 Our execution will result in significant benefits to our clients, opportunities for our employees and exceptional returns to our shareholders over time.
Our Vision: An Increasingly Complex Investment Industry Creates Opportunity

**Markets**
- New geographies and markets are accessible

**Choices**
- Securities
- Instruments
- Asset classes

**Investors**
- Proliferation of institutional and individual investors

**Styles**
- Factors
- ESG & Climate consideration
- Thematics and mega themes

**Vehicles**
- Funds
- Co-investing
- Direct investments

**Scale**
- Investable assets growing as a percentage of global economies
- Increased allocations to private markets

$100T Managed Assets

100,000+ Public Equities

Millions Fixed Income Instruments

10,000+ Private Equity (PE) Funds

100,000+ PE-owned Companies

$10T Global Investment Properties

$650T Notional Derivatives Contracts

$120T+ Bank Assets

Note: Numbers based on company estimates and third-party reports; figures represent most recent information available as of February 2021.
### Our Vision: Increased Complexity is Transforming the Investment World

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Country/Region Investing</td>
<td>Global Investing</td>
</tr>
<tr>
<td>Single Asset Classes</td>
<td>Multi-Asset Classes</td>
</tr>
<tr>
<td>Public Assets</td>
<td>Public + Private Assets</td>
</tr>
<tr>
<td>Fund Investing</td>
<td>Fund + Direct Investing</td>
</tr>
<tr>
<td>Performance</td>
<td>Risk + Performance</td>
</tr>
<tr>
<td>Standard Portfolios</td>
<td>Customized Portfolios</td>
</tr>
<tr>
<td>Active Management</td>
<td>Active + Indexed Management</td>
</tr>
<tr>
<td>ESG &amp; Climate for Some</td>
<td>ESG &amp; Climate for All</td>
</tr>
<tr>
<td>Western Markets</td>
<td>Asian + Emerging Markets</td>
</tr>
</tbody>
</table>
## Our Mission: Growing Investment Industry Presents Incredible Opportunities

<table>
<thead>
<tr>
<th>AUM</th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>OWNERS OF ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td>$41T</td>
<td>$49T</td>
</tr>
<tr>
<td>Wealth Management and Defined Contribution Pensions</td>
<td>$41T</td>
<td>$49T</td>
</tr>
<tr>
<td>Defined Benefit Pensions</td>
<td>$23T</td>
<td>$25T</td>
</tr>
<tr>
<td>Insurance</td>
<td>$23T</td>
<td>$29T</td>
</tr>
<tr>
<td>Sovereign Wealth</td>
<td>$8T</td>
<td>$8T</td>
</tr>
<tr>
<td>Endowment and Foundation</td>
<td>$1T</td>
<td>$2T</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MANAGERS OF ASSETS</th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income – Active and Indexed</td>
<td>$27T</td>
<td>$33T</td>
</tr>
<tr>
<td>Equity – Active</td>
<td>$23T</td>
<td>$23T</td>
</tr>
<tr>
<td>Equity – Indexed</td>
<td>$13T</td>
<td>$16T</td>
</tr>
<tr>
<td>Private Equity, Real Estate and Private Credit</td>
<td>$7T</td>
<td>$10T</td>
</tr>
</tbody>
</table>

Note: Numbers based on company estimates and third-party reports; figures represent most recent information available as of February 2021.
Our Mission: Solutions to Enable All Participants in the Investment Process

Enabling Owners and Managers of Assets
Build Better Portfolios for a Better World

Enabling Corporates and Others Present their ESG, Climate and Other Data to Providers of Capital

Enabling Banks, Broker Dealers, Exchanges, Custodians and Others Support Providers and Users of Capital in the Investment Process

Providers of Capital

Users of Capital

Financial Intermediaries
Our Strategy

Support the Investment Process Needs of our Clients with Highly Differentiated Solutions Supported by Best-in-Class Capabilities
Our Strategy: Capabilities to Build Solutions to Meet Client Needs

**Needs**
- Portfolio Construction
- Asset Allocation
- Performance Attribution
- Risk Management

**Solutions**
- Indexes for Every Portfolio
- Tools for Every Investment Decision

**Capabilities**
- Models, Data and Technology
- Partnership Ecosystem
- Entrepreneurial Culture
Our Client Growth: Opportunities in Established and New Segments

Established Markets

1990s & Earlier

- Asset Owners & Managers
- Broker-Dealers & Hedge Funds
- ETF Managers

2000s

- Derivative Exchanges

2010s

- Real Estate Owners & Managers
- Wealth Managers

2020s & Beyond

- Private Equity & Debt Owners & Managers
- Insurers
- Endowments & Foundations
- Corporates

Recent Markets

Future Markets

- Family Offices
- Defined Contribution Pensions
- Individual Investors
Our Solutions Growth: Opportunities in Established and New Use Cases

Established Markets
- Global Equity Performance Indexes
- Global Equity Performance and Risk Models

Recent Markets
- Multi-Asset Risk (VaR & Stress Testing)
- Hedge Fund Risk
- Private Real Estate Performance & Risk
- ESG Sustainability
- Climate Sustainability
- Fixed Income Risk

Future Markets
- Fixed Income Portfolio Management
- Private Equity & Debt Performance
- Private Asset Indexes & Models
- Multi-Asset Class Indexes
- Asset Allocation
Our Execution: 50+ Years of Establishing Standards in the Investment Industry

Previous Major Innovations

- **1960s**
  - Global Indexes
  - Equity Risk Factor Models

- **1970s**
  - Emerging Markets Indexes
  - Valuation at Risk (VaR)

- **1980s**
  - World Small Cap Index
  - ESG Index
    - Domini (now MSCI KLD) Social Index
    - GICS® Global Industry Classification Standard

- **1990s**
  - Real Estate Data & Indexes
  - ESG
    - Indexes, Ratings, Screenings

- **2000s**
  - Fixed Income Indexes
  - Climate Metrics, VaR

- **2010s**
  - Private Assets Indexes & Models
  - Index Customization Acceleration

- **2020s and Beyond**
  - Megatrends
    - Equity Indexes
  - Technology Solutions
  - Fixed Income

Current Innovations

- ESG & Factor
  - Fixed Income Indexes

MSCI 2021 INVESTOR DAY
Our Execution: Driving Competitive Advantages

LOYAL CLIENT BASE
Innovative solutions

FIRST MOVER ADVANTAGES
Industry leadership

DISCIPLINED CAPITAL ALLOCATION
Triple Crown investments

ENTREPRENEURIAL MINDSET
Owner-operator culture
Our Execution: Creating Value for All Stakeholders

EMPLOYEES
- Entrepreneurial, owner-operator and performance-based culture
- Unique investment process expertise
- Diversity, equality and inclusion driving better outcomes

COMMUNITIES
- Responsible and dedicated participant in community affairs
- Commitment to corporate responsibility, including reducing carbon emissions

CLIENTS
- Provide indexes and tools for mission-critical investment decisions
- Enable investment differentiation and operating efficiency
- Lead to new frontiers of investing

SHAREHOLDERS
- Create value with relentless focus on compounding TSR
- Triple Crown investment framework for disciplined capital allocation
- Robust governance with strong alignment among Board, management and shareholders
Maximizing Competitive Advantages

BAER PETTIT
PRESIDENT & CHIEF OPERATING OFFICER
Key Messages: Maximizing Competitive Advantages

01 Serving a deep, global client base with rapidly changing needs in a dynamic industry

02 Continuously innovating our highly differentiated solutions to meet our clients’ goals

03 Open architecture strategy leveraging MSCI’s best-in-class capabilities
Combining Innovation and Discipline to Create Strong Outcomes

**Client Centricity**
- Client experience and servicing obsession
- Integrated and deeper firmwide relationships

**Innovative Solutions**
- High-quality models, data and technology with open platforms
- Commitment to innovation with disciplined business management

**Best-in-Class Capabilities**
- Built on a foundation of research and quality
- Supported by continuous innovation
Addressing Client Needs to Power Better Investment Decisions

INVESTORS RELY ON MSCI FOR

- Research-driven insights into drivers of risk and performance
- Broad asset class coverage
- Innovative tools to help investment strategies to market
- Exceptional quality
- Reliability, technology and business continuity infrastructure

Supporting Investors’ Needs in Every Part of the Investment Cycle

DESIGNING STRATEGIES
Portfolio Construction Tools • Indexes

MANAGING STRATEGIES
Asset Allocation Models • Risk and Performance Models

EVALUATING STRATEGIES
Benchmarks • Performance Attribution Applications • Risk Analytics and Reporting
Our “Research DNA” Bridges Our Solutions with Client Needs

Tenants of Our Research

- ✔ Quality, Data-driven
- ✔ Innovative
- ✔ Cutting-edge
- ✔ Timely

What Research Does for Us

- Earns us the right to innovate for clients
- Allows us to move up the value chain

FROM TO
Expert Partner
Serving Users Collaborating with the C-suite
Intensely Focused on Bringing Together the Elements of MSCI

Our Network of Capabilities Creates Many Opportunities to Partner with Our Client Firms
Our Relationships with Existing Clients Have Been Expanding Over Time

Total Run Rate by Mix of Clients Purchasing One or More Product Lines

- 2015:
  - All Product Lines: 55%
  - 3 Products: 12%
  - 2 Products: 16%
  - 1 Product: 17%
- 2020:
  - All Product Lines: 60%
  - 3 Products: 9%
  - 2 Products: 12%
  - 1 Product: 18%

Average Subscription Run Rate per Client by Cohort Year ($000s)

- 2 Years with MSCI (2018 Client Cohort): $60
- 5 Years with MSCI (2015 Client Cohort): $75
- 8 Years with MSCI (2012 Client Cohort): $99

Steady Trend of Clients Purchasing More MSCI Products Over Time

Run Rate of Clients Purchasing all Product Lines vs. 55% in 2015

Clients are Spending More with MSCI Over Time

Average Subscription Run Rate for Clients with 8 Years with MSCI vs. $60K for Clients with 2 Years

1 Refers to products sold by our Index, Analytics, ESG and Real Estate Segments
Note: Unless otherwise noted, all annual figures refer to year-end as of December 31.
Highly Differentiated MSCI Expertise to Anticipate Client Needs

Factor Models + ESG Ratings + Fixed Income Indexes = ESG FI Indexes

Climate Value-at-Risk + Real Estate Assets = Real Estate CVaR

Climate Value-at-Risk + Fixed Income Indexes = ESG FI Indexes

Climate Value-at-Risk + Analytics Reporting = TCFD Reporting
### IN ACTION: Real Estate CVaR

**Climate Value-at-Risk + Real Estate Assets = Real Estate CVaR**

**Combination Enables Investors to Understand Exposure to Physical Risks in their Portfolios**

<table>
<thead>
<tr>
<th>Climate Tools</th>
<th>Real Estate Assets</th>
<th>Real Estate CVaR</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Tools to help clients measure climate risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Modeling climate risks and scenarios</td>
<td></td>
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<tr>
<td>- Calculate carbon footprinting</td>
<td></td>
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</tr>
<tr>
<td>- Asset level analysis helps clients identify drivers of risk and the impact on portfolio decisions made, such as selling various combinations of assets</td>
<td></td>
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</tr>
<tr>
<td>- Combination enables investors to understand exposure to physical risks in their portfolios</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Enables real estate investors to integrate climate risk into asset underwriting</td>
<td></td>
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</table>
Open Access, Interoperable Platform for Ease of Use

- Faster
- More Agile
- Amplified Reach
- Flexible
- Interoperability
Leveraging Our Capabilities to Further Our Lead

Innovation Driven by Research and Client Centricity

Excellence across Data and Technology

Financial Discipline and Strong Business Management

Creating Unique Value for All Stakeholders
Key Takeaways

01 Serving a deep, global client base with rapidly changing needs in a dynamic industry

02 Continuously innovating our highly differentiated solutions to support our clients’ goals

03 Open architecture strategy leveraging MSCI’s best-in-class capabilities

04 Combining deep, global client base, differentiated solutions and best-in-class capabilities to create enormous value for all stakeholders
Delivering Client-Centric Solutions

ALVISE MUNARI
GLOBAL HEAD OF CLIENT COVERAGE
01 **Strong foundations in place** with client centricity at the core of our strategy

02 **Identify new opportunities to accelerate growth** across segments, regions and new partnership structures

03 **Invest in the Client Engagement Model** to drive higher revenue growth and retention

04 **Focus on technological and organizational transformation** to make it easier to do business with MSCI and achieve greater client satisfaction
Client Centricity Was Critical To Our Success Over The Last 5 Years

Commentary

- Sales have been growing by a CAGR of 12%, substantially outpacing Coverage Personnel growth of 4%.

- Number of clients has increased by 24%; established and newer client segments both contributed to the growth.

- Sales productivity increased at a CAGR of 10%. To support expansion into newer areas (Wealth, Insurers, Derivatives, ESG&Climate, Core Europe, China) we recently accelerated investment in salespeople.

1 Number of clients based on parent entity; 2 2018 represents what was the last period shared during MSCI’s 2019 Investor day.
IDENTIFYING NEW OPPORTUNITIES TO ACCELERATE GROWTH
Key Trends Provide Expanding Growth Opportunities Across Client Segments

Powerful, Monetizable Secular Trends

1. Exponentially growing demand for indexes
2. Rapidly growing demand for ESG & Climate tools
3. Increasing allocations to illiquid and private assets
4. Focus on portfolio construction, risk and performance analysis

2020 Subscription Run Rate (\(\text{SM}\))

- **Asset Managers**
- **Financial Intermediaries**
- **Asset Owners**
- **Hedge Funds**
- **Wealth Managers**
- **Insurers**
- **Corporates**

<table>
<thead>
<tr>
<th>2020 Subscription Run Rate ((\text{SM}))</th>
</tr>
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<tbody>
<tr>
<td>$800$</td>
</tr>
<tr>
<td>$600$</td>
</tr>
<tr>
<td>$400$</td>
</tr>
<tr>
<td>$200$</td>
</tr>
<tr>
<td>$0$</td>
</tr>
</tbody>
</table>

**Subscription Run Rate Opportunities by Client Segment**

- **High Growth**
  - **High Penetration**
  - **Low Growth**
  - **Low Penetration**

**High Growth**

- **Very High Growth**
- **High Growth**

**Low Growth**

- **High Penetration**
- **Low Penetration**

Asset Managers and Asset Owners (~65% of current subscription Run Rate) expected to continue growing at a 10%+ rate.

Financial Intermediaries and Hedge Funds accelerating with growth expected to approach 10%.

Wealth, Insurance and Corporates expected to grow at 20% or faster to become much larger contributors to subscription Run Rate over next 3-5 years.

---

AM = Asset Managers, FI = Financial Intermediaries, AO = Asset Owners, HF = Hedge Funds, WM = Wealth Managers, Ins = Insurers, Corp = Corporates

Size of the bubbles indicates relative incremental dollar opportunity of run rate in 3 - 5 years time
# Capitalize On Accelerating Growth Rate Across All Client Segments

<table>
<thead>
<tr>
<th>Future Growth Trajectory</th>
<th>Assets Owners</th>
<th>Assets Managers</th>
<th>Financial Intermediaries</th>
<th>Hedge Funds</th>
<th>Wealth Managers</th>
<th>Insurers</th>
<th>Corporates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 YoY Growth¹</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
<td>14%</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>2020 YoY Growth</td>
<td>11%</td>
<td>10%</td>
<td>7%</td>
<td>9%</td>
<td>23%</td>
<td>19%</td>
<td>42%</td>
</tr>
</tbody>
</table>

## Indexes
1. Higher value Index investing: Sustainability, Impact, Factors and Themes
2. Sustainable investing, Product differentiation, Reporting, Signals for Investment Process
3. Capital Markets facilitation, Product creation, Regulatory reporting requirements
4. Demand for modeling of private equity assets

## ESG & Climate Tools
1. Adoption of ESG & Climate ratings, Emissions reduction targets, Underwriting risk
2. Regulatory Compliance, Investor Communication, Cost of Capital optimization

## Illiquid and Private Assets
1. Broad appetite for returns beyond public markets
2. Expanding factor and risk analysis transparency
3. Demand for modeling of private equity assets
4. Allocating to private markets in search of yield

## Portfolio Construction, Risk and Performance
1. Total Portfolio construction, risk and performance, Long term horizon modelling
2. Integrating risk in portfolio management: Climate, ESG, Liquidity, Mandate Customization
3. Increased focus on factor hedging, product creation
4. Better tools to manage liquid assets investing, factor risk, trading models, Fixed Income analytics
5. Centralized Investment solutions and risk monitoring
6. Total Portfolio construction risk and performance, Fixed Income analytics

¹ 2018 represents the last period shared during MSCI’s 2019 Investor Day.
Targeted Approach by Region

1. **EMEA**: continues growing at an attractive pace thanks to team greater focus on account management, use case innovation and closing discipline and opportunities in lower penetration segments

2. **APAC**: leveraging EMEA blueprint, regional fundamentals and current lower penetration; growth rate *increases* by 4% - 6%

3. **Americas**: leveraging EMEA blueprint and opportunities in lower penetration segments growth rate *increases* by 1% - 2%

4. **Specific subregions**: Push for 15%+ growth rates where current low penetration, fundamentals and dynamics are conducive

<table>
<thead>
<tr>
<th>MSCI</th>
<th>EMEA</th>
<th>APAC</th>
<th>Americas</th>
</tr>
</thead>
<tbody>
<tr>
<td>+4Yr CAGR ('16-'20)</td>
<td>10.4%</td>
<td>12.6%</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020 Subscription Run Rate ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI</td>
</tr>
<tr>
<td>1,368</td>
</tr>
</tbody>
</table>

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**Growth continues at a steady ~10% rate across well penetrated sub regions (e.g., US, UK/Ireland, North Asia)**

**Growth continues at a faster pace or substantially accelerates in regions with lower penetration and/or favorable dynamics (e.g., Core Europe, Greater China, Canada, Southern & Eastern Europe)**

SEE = Southern & Eastern Europe, ANZ = Australia & New Zealand, MEA = Middle East & Africa, NE = Northern Europe
Client Partnership Case Study: MSCI And Large Financial Services Firm

Partnering with large Financial Services Firm enables MSCI to extend its reach by leveraging partner’s global distribution network across multiple client channels.

**MSCI Content, Tools & Insights**
- Benchmarks • Indexation Services • ESG & Climate • Factors Framework & Classification • Risk Analysis • Performance Attribution

**Partner’s Distribution Channels**
- Financial Institutions
- Sovereign Wealth Funds
- Corporations
- High Net Worth
- Retail

**MSCI Benefits:**
- Distribution and Client Reach
- Brand Recognition
- Subscription Run Rate with Client Partner growing at a substantially higher rate than overall MSCI Run Rate

**Partner Benefits:**
- Increased AUM
- Investment Returns
- Product Offering
- Sales and Trading Volumes
- Risk and Performance Management

Accelerating MSCI’s Commercial Growth through Offering Substantial Value Creation for Client Partner
INVEST IN CLIENT ENGAGEMENT MODEL
Identify Optimal Client Coverage To Drive Higher Revenue And Productivity Growth

- Expanding to new client segments, including wealth managers, insurance companies, corporates, among others
- Deepening and broadening client base across regions, including the Americas, EMEA and APAC
- Invest in People to broaden and deepen relationships with clients - go from being a vendor to being partner
- Invest in processes and technology to improve client experience, commercial velocity and productivity
FOCUS ON TECHNOLOGICAL AND ORGANIZATIONAL TRANSFORMATION
Dealing With MSCI Becomes Easier And More Holistic On All Levels

Allow Clients to:

- **Contract with us** in just a few clicks for any products and services they might need.
- **Consume content, tools and services** wherever they want and through whichever platforms suits them best.
- **Route to us as much volume as they need** with full confidence that we can handle it in any environment and circumstance.
- **View MSCI as the go-to place** for both fast response solutions to specific investment problems as well as deep thought leadership on long-term investment issues.
## Key Takeaways

| 01 | **Complete Client Centricity will be the foundation towards** driving higher revenue growth and retention |
| 02 | **Build on client needs to accelerate growth** across segments, regions and new partnership structures |
| 03 | **Invest in the Client Engagement Model** with a focus on technological and organizational transformation to achieve greater client satisfaction, higher sales and better retention |
| 04 | **Simplification and automation** will transform the way clients do business with MSCI |
Supercharging Index Growth

DIANA TIDD
HEAD OF INDEX & CHIEF RESPONSIBILITY OFFICER
Key Messages: Supercharging Index Growth

01 Our addressable market is very large and growing rapidly

02 We can capture the explosion in demand with our strong value proposition

03 Our investment plan can supercharge our winning strategy
We Leveraged Our Global Franchise and Strong Execution to Deliver Results

WHAT WE SET OUT TO DO IN 2019

Focus on High Growth Markets
- High growth client segments
- Multi-currency derivatives

Capture Growing Adoption
- Global investing
- Indexed investing
- Factor, Sustainable, & Thematic investing

Investments
- People
- Product development
- Technology

2020 INDEX GROWTH\(^1\)

- 91% ESG and Climate
- 65% Futures and Options
- 20% Wealth Management
- 12% ETF ABF
- 180+ New Hires\(^2\)
- 20K New Indexes\(^2\)

\(^1\) YoY Index Run Rate growth; \(^2\) YoY growth.
OUR ADDRESSABLE MARKET IS VERY LARGE AND GROWING RAPIDLY
Demand for Index-based Solutions is Led by Several Transformations

- Investors diversifying by allocating to global markets
- Factors are becoming mainstream in investment management processes
- Demand for sustainable investments is exploding
- Investors want to capture the massive shifts driving long-term megatrends
- Huge adoption of indexed investing including index-linked derivatives
Investors are Using Indexes in New Ways, Creating New Avenues for Growth

From a Foundation of Market Cap Indexes that Measure the Opportunity Set to Indexes that Represent an Investment Thesis, the Use of Indexing is Expanding

Growth in MSCI Index Use Cases Over the Decades

Note: Bubble size indicates growth of users of that use case.
New Use Cases Put Indexes at the Center of the Investment Process

GROWING ROLE OF INDEXES

- Define Investable Universe
- Asset Allocation
- Market Cap, Factor, Climate, ESG, Thematic
- Indexes Customized for Risk Profile
- Climate Risks and Opportunities
- Derivatives for Hedging and Exposure Management

- Portfolio Construction
- Risk Management
- Investment Process
- Reporting

- Exposure and Liquidity Management
- Performance Attribution
- Model Portfolios
- Benchmarking Performance
- Reporting to Investors
- Complying with Regulators
Relentless Product Innovation Broadens Our Addressable Market

We Have Been on a Multi-Year Mission of Relentless Innovation

**MARKET**
Global, Regional, Country, Sector, Developed, Emerging, Frontier

**CLIENT TYPES**
Asset Owners, Asset Managers, Wealth, Banks, Insurers, Hedge Funds, ...

**ASSET CLASS**
Equity, Fixed Income, Private Assets, Multi Asset Class, Derivatives

**INVESTMENT APPROACH**
Active, Passive (Indexed), Quantitative, Global Investing, ESG, Climate, Factor, Thematic

We Are There
Across Markets, Asset Classes, Client Types and Investment Approaches
Rapid Growth Categories Accelerate Our Growth Potential

**ESG**

$100T+$ in Global Assets by End of 2028 with an **ESG Mandate**

Deutsche Bank

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**ETF**

$50T+$ in Assets by End of 2030

Potential US ETF Market size

Bank of America

---

**CLIMATE**

The Creation of Sustainable Index Investments Has Enabled a Massive **Acceleration Of Capital**

Towards Companies Better Prepared to Address Climate Risk

Blackrock

---

**LISTED DERIVATIVES**

We View the Opportunity in Listed Derivatives on a 5 to 10-year Horizon to be **Multiples** of the Run Rate that We Have Today

MSCI

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WE CAPTURE THE EXPLOSION IN DEMAND WITH OUR STRONG VALUE PROPOSITION
To Capture the Opportunity, We Offer Both Simplicity And Choice

In a Complex World, We Win by Meeting Client Demand with Top Quality Choices

An Index for Every Portfolio

**Ready-Made Indexes**

- **Starting universe** for portfolio building
- **Indexes** to integrate new strategies
- **Strong product ecosystem**

**Customized Indexes**

- Enable clients to **customize indexes**, by choosing screens to overlay on the indexes
- Ingredients for **self-build** and modular building blocks
- Bespoke **multi-strategy combinations**

X
We are Uniquely Positioned to Meet the Industry’s Needs

By Leveraging Our Entire Firm, We Offer Clients a Comprehensive Toolset

We Offer Solutions Across:

Indexes for Portfolio Management
We are Accelerating Growth with Our Core Franchise and New Products

**ENHANCING OUR CORE OFFERING**
- Capture newly investable markets (e.g., China A, Saudi and more)
- Enhanced customization capabilities
- Facilitate the transition to ESG and Climate benchmarks

**DEVELOPING NEW PRODUCTS**
- Product innovation in growth areas (e.g., Factor and Thematic)
- Building our range in new asset classes
- Licensing of new client types and use cases

**Growth Leveraging Our Market Cap Franchise and Industry Standards such as MSCI ACWI and MSCI WORLD**

**Growth from New Product and Licensing Innovations**
MSCI's Suite of Data and Tools Offers a Front to Back Solution for Wealth Managers to Direct Index, Creating Highly Customized Indexed Separately Managed Accounts (SMA) for their Clients

**INDEX**
- Broad choice of indexes, either standard or client customized

**ANALYTICS**
- Tax optimization and risk analysis

**ESG**
- Tools and content for integrating ESG considerations

---

**Commercial Growth**
- Subscription to index data, and customized indexes
- Asset-based fees (ABF)
- Subscription to ESG Ratings
- Subscription to Analytics tools
Solutions Example 2: Financial Products Licensing

European Bank with Large Retail Network Wanted to Offer ESG Climate Products to Complement its Existing ETF and Structured Product Offerings

**MSCI**

**THE CLIENT**
Required customized index on MSCI World Climate Change ESG as basis for ETF and Structured Product

**DISTRIBUTION**
Bank distributed the Structured Product through its branch network in continental Europe

**FINANCIAL DERIVATIVES LICENSING**
Two Broker Dealers provided the hedge with listed options on MSCI World

These Broker Dealers saw the success and subsequently licensed the index for Structured Products in South Africa and Eastern Europe

---

**Commercial Growth**

- Subscription to index data and customized index
- Asset-based fees (ABF) for the Structured Product and ETF licenses
- Options contract ABF
OUR INVESTMENT PLAN TO SUPERCHARGE OUR WINNING STRATEGY
Innovations for New Trends and Use Cases Will Multiply Our Index Range

An Index for Every Portfolio

Three Scenarios for Growth in Number of Indexes

<table>
<thead>
<tr>
<th>Growth</th>
<th>Indexes by 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>2M</td>
</tr>
<tr>
<td>30%</td>
<td>3M</td>
</tr>
<tr>
<td>50%</td>
<td>14M</td>
</tr>
</tbody>
</table>

Note: Historical Growth Trend based on 1985-2020 CAGR for number of end-of-day indexes calculated daily.
Investing in Key Strategic Areas for Long-term Growth

**01 Accelerate Content Innovations**
- Innovative indexes across ESG, Climate, Thematic and China
- Fixed income and multi asset
- Customized indexes

**02 Expand Licensing to Financial Product Ecosystem**
- Futures and options
- Structured products

**03 Develop Integrated Technology Proposition**
- Digitizing client experience
- Infrastructure enhancements
- Development of index factory
- Enabling technologies
Key Takeaways

01. Our addressable market is very large and growing rapidly

02. Indexes are increasingly central to the investment process

03. We can capture the explosion in demand with our strong value proposition

04. Investing for growth accelerates our winning strategy
Driving the Sustainable Investing Revolution

REMY BRIAND
HEAD OF ESG & CLIMATE
Key Messages: Driving the Sustainable Investing Revolution

01 Incredible accelerating momentum for ESG driven by growing investor interest and increasing regulation

02 In the epicenter of radical industry transformation and dramatic adoption of ESG and Climate across the entire investment industry

03 Growing competitive advantage with Triple Crown investments focused on key areas of growth: ESG indexes, Climate and ESG-integration across capital markets

04 Long runway of growth ahead with new and existing clients increasing usage across expanding and emerging use cases and capabilities
Strong and Accelerating Momentum for ESG and Climate

ETFs Linked to MSCI ESG Indexes Seeing Supercharged Growth\(^1\)

TCFD Reporting Continues to Witness Rapid Increases\(^2\)

MSCI's Corporate Interactions are Scaling\(^3\)

Accelerating Signatories of the UN PRI\(^4\)

**MSCI 2021 INVESTOR DAY**

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\(^1\) Internal sources; \(^2\) Source: Task Force on Climate-related Financial Disclosures (TCFD) status reports [https://www.fsb-tcfd.org/about/](https://www.fsb-tcfd.org/about/);

\(^3\) Corporate Interaction : volume and percentage represent the companies that have reached out to us in any given year, for any reason – this can be feedback on our data and research, questions about methodology, contact updates, etc.

\(^4\) Source Principles for Responsible Investment (PRI) : [https://www.unpri.org/pri/about-the-pri](https://www.unpri.org/pri/about-the-pri)
Preparation and Positioning Ourselves for a Radically Different Future

Omnipresence of ESG and Climate across Portfolios and Asset Classes

**ESG**

- **Third dimension** of portfolio management alongside return and risk; expected ESG and climate outcomes will be systematically described for each mandate

- Clients will have to **opt out of ESG default** options instead of having to ask for one today; model portfolios will be primarily constituted of predefined ESG and Climate building blocks

**CLIMATE**

- Every financial institution will have a **public climate strategy** with explicit objectives and targets for emission reduction; TCFD reporting will be mandatory in most countries

- Banks will do annual **climate stress testing** exercises, covering their entire loan and trading books

- **Engagement with companies** will focus on climate strategy with emphasis on targets for emission reduction
Systematic Adoption of Climate Targets in the Investment Process

Future Expectations

- The COP 26 UN Climate Change Conference\(^1\) to be held in Glasgow in November will lead to several countries announcing mandatory TCFD reporting – the UK and New Zealand have already done so

- Asset Owners, especially in the Net Zero Asset Owner Alliance, will set target for emissions reduction\(^2\) ranging from -16% to -29% for equity and corporate bond portfolios and require systematic engagement with top emitters in their portfolio

- Central Banks, through the Network for Greening the Financial System (NGFS), will define and require climate stress tests to be run by the banks under their oversight

Building Future Proof Capabilities to Service Increasingly Complex Regulation and Reporting

---


An ESG Pioneer and Market Leader

Our Solutions and Competitive Edge

• **45+ years experience** in objectively measuring and modeling ESG characteristics\(^1\)

• **580+ ESG experts and technologists** providing the most efficient investment signals

• **1,500+ MSCI ESG equity and fixed income indexes**\(^2\)

• **Extensive set of solutions** for ESG and Climate integration

• **Deep integration** across MSCI products catering to the investment value chain

---

Leadership in ESG Indexes

#1 ESG Index Provider by Equity ETF Assets Linked to its ESG Indexes\(^3\)

$106B Linked to Equity ESG Assets\(^3\)

70% of Equity ESG ETF Flows as of Q4’20\(^3\)

Leadership in ESG Ratings and Data

48 of the top 50 Asset Managers leverage MSCI ESG Research\(^4\)

1,900+ MSCI ESG Research Clients\(^5\)

Globally with Coverage of 14,800+ Issuers and 650,000+ Securities

Leadership in Climate Indexes

#1 Climate Index Provider by Equity Assets Linked to its Climate Indexes\(^8\)

Leadership in Climate Data & Analytics

Climate Data Provider to 16 of the World’s Top 20 Asset Managers\(^6\)

700+ Climate Change Metrics, Covering 10,000+ Issuers\(^7\)

---

\(^1\) Through MSCI legacy companies KLD, Innovest, IRRC, and GMI Ratings; \(^2\) Source MSCI Inc. as of February 2021; \(^3\) Data based on Refinitiv Universe as of December 2020, only primary listings, and not cross-listings; \(^4\) MSCI ESG Research’s solutions are used by 48 of the top 50 world’s largest Asset Managers as determined by Willis Towers Watson report “The world’s largest 500 asset managers, Joint study with Pensions & Investments.” AUM and rankings calculated as of December 2019. Report published October 2020. To calculate the number of clients, we use the shipping address of the ultimate customer utilizing the product, which counts affiliates, user locations or business units within a single organization as separate clients; \(^5\) Source: MSCI ESG Research as of February 2021

\(^6\) Data as of 30th September 2020, based on eVestment for Institutional funds, Morningstar for Retail funds and Refinitiv Universe for ETFs
Competitive Strength #1: Comprehensive Solutions Backed by Unique Capabilities

Financial Materiality

- First ESG provider to assess companies based on industry financial materiality, dating back to 1999
- Focus on the issues that are most relevant to a company's core business model

Deep Knowledge

- Team of 250+ analysts vets, validates and transforms data into meaningful insight
- Deep climate expertise with dedicated MSCI Climate Risk Center

Alternative data beyond corporate disclosure

- On average, 45% of the data to determine a corporate MSCI ESG Rating is derived from alternative sources
- Leverage technology and AI to increase timeliness and precision of data collection and analysis

Leading Technology

- 120+ Technologists dedicated to ESG and Climate benefitting from the full power of the Microsoft partnership
- 60+ data scientists develop robust models turning unstructured data into meaningful output

Broad ESG and Climate coverage

- Broad ESG Ratings coverage with 90% of equity and fixed income market value
- Provide consistent solutions across investment instruments

Unique Track Record

- Extensive track record, analyzed by multiple academic studies
- Tried and tested solution

“One way out of the dilemma of uncorrelated ratings is to use the one with the most predictive power, which they found to be MSCI ESG Ratings”

1 Origins of MSCI ESG Ratings from 1999: Financial materiality → ratings focus key ESG issues that could become financially material over the medium to long term
2 MSCI ESG Research: 2,434 constituents of the MSCI ACWI Index as of November 30, 2017
3 Source: MSCI ESG Research as of as of February 2021, coverage subject to change
4 Source: MSCI ESG Research as of December 2020. Includes full time employees, employees of foreign affiliates providing investment advisory services to MSCI ESG Research LLC, and global allocated staff performing non-investment advisory tasks
6 Harvard Business School Accounting & Management Unit
7 Linda Eling Lee’s February 2021 comment on the results of the Serafeim, G & Yoon, A, (2021) paper
Competitive Strength #2: Ecosystem / Solutions that Drive Clients’ Revenues

Expanding and Evolving Use Cases

MSCI’s presence across the entire ecosystem creates a common language for all market participants

An Illustration for Capital Markets

Using MSCI as their backbone of ESG integration allows clients to scale fast and benefit from assets flowing inside the ecosystem

Capital Markets
- Corporate advisory and peer benchmarking
- Pre-IPO assessment
- ESG-linked lending and underwriting

Investment Banking
- ESG in advisory
- E&S risk and due diligence in transaction analysis
- Takeover defense

Research
- Thematic research
- Redistribution of MSCI ESG content
- Integration of MSCI content into equity, debt and ETF research

Sales and Trading
- Derivatives: ESG in OTC or structured products
- Product creation: custom baskets and ESG overlays
- Portfolio trading: analysis / research on ESG index benchmarks

Prime Brokerage
- ESG portfolio reporting to hedge funds
- Redistribution of ESG data to hedge funds
- ESG advisory for consulting team
Competitive Strength #3: Deep Integration of ESG & Climate across MSCI Products

MSCI ESG Research & Ratings

MSCI ESG Indexes

MSCI Real Estate

Building Differentiation by Integrating Sustainable Investing Solutions to Help Investors across the Investment Value Chain

- **ESG Research model** enhancements rolled out in Q4’20 – culmination of a 2-year consultation with many of the world’s largest and most sophisticated institutional investors to further enhance quality of investment signals

- Expansion of 1,500 **equity and fixed income ESG and climate indexes** including launch of Climate Paris-Aligned Indexes

- Integration of ESG and Climate research, data and indexes into leading **multi-asset class risk and performance analytics systems** (GEM+ESG, Climate risk in Barra)

- Launch of MSCI **Real Estate Climate VaR** to measure climate-related risks for real estate assets in an investment portfolio
Our Clients Ask for More, We Deliver

“Land and Expand” Strategy Allows Incremental Wallet Share as We Cater to New Use Cases

<table>
<thead>
<tr>
<th>Annual Figures</th>
<th>Year</th>
<th>ESG Research</th>
<th>ESG Indexes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$18</td>
<td>$17</td>
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</tr>
<tr>
<td>2011</td>
<td>$22</td>
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<tr>
<td>2020</td>
<td>$225</td>
<td>$86</td>
<td>$86</td>
</tr>
</tbody>
</table>

Strong Growth across ESG Research Client Cohorts

- Drive continuous expansion of new product offerings resulting in strong growth from existing clients
- Witnessing acceleration in new parent entities signing up for our ESG products; 50% increase in 2020

Details based on active ESG parent clients as of 12/31/2020. To calculate the number of parent clients, we aggregate the shipping address of the ultimate customer utilizing the product, which counts affiliates, user locations or business units within a single organization as a single parent entity.

Note: Unless otherwise noted, all annual figures refer to year-end as of December 31.
Maintain Global Leadership by Accelerating Investments across Key Opportunities

01
Protect and grow our market leadership in sustainable investing solutions, including ESG ratings and ESG indexes

02
Seize large, nascent opportunity in integration of Climate risk in portfolios and financial disclosures

03
Monetize growing corporate opportunity for ESG and Climate tools by building ecosystem linking investors to corporates

04
Build capabilities for adjacent and new use cases across asset classes and client segments to deliver continuous high growth

05
Embed and leverage our ESG and Climate offerings across Index, Analytics and Private Assets
Long Runway Ahead: Growing Opportunities with Existing and New Products

MSCI Estimated Market Size for ESG Products is Expected to Further Expand to $3.9B Over the Near-term

Potential for Additional Growth

- Corporates
- Bank Stress Testing
- Climate
- Private Assets

with an estimated market of $0.7B

Note: Numbers based on internal estimates and projections.
Key Takeaways

01 Incredible, incremental momentum for ESG driven by growing investor interest and increasing regulation

02 Well-positioned to capitalize on radical industry transformation and dramatic adoption of ESG across the entire investment industry

03 Near-term investments focused on three key areas of growth: ESG indexes, Climate and ESG-integration across capital markets

04 Long runway ahead as we prepare for the next wave of growth from emerging use cases and capabilities
Q&A Session

To ask a question please use the Q&A feature located on the webcast OR email investorrelations@msci.com
Modernizing Portfolio Management through Analytics

JORGE MINA
HEAD OF ANALYTICS
**Key Messages: Modernizing Portfolio Management through Analytics**

01 **Continue repositioning Analytics to enable investors to build better portfolios** through portfolio management and risk management solutions.

02 **Capitalizing on large opportunities** in equity, fixed income and multi-asset class portfolio management by **enabling clients to build portfolios in a systematic and scalable way**.

03 **Driving growth in multi-asset class solutions** through innovation and integration of our models and analytical engines within clients’ workflows.

04 **Accelerating innovation and enabling distribution for Index, ESG and Private Assets**.
Building Better Portfolios through Portfolio Management and Risk Management

Analytics Run Rate

- MAC Risk & Portfolio Management: 28%
- Equity Portfolio Management: 63%
- FI Portfolio Management: 7%
- Other: 2%

$555M

What Analytics Does for Clients

- **Risk Management**: manage risk of all portfolios, regulatory reporting, and client reporting
- **Portfolio Management**: build and manage portfolios in specific asset classes
- **Common components** provide **consistency for clients** and **efficiency for MSCI**

Increasing Focus on Portfolio Management

Client Type

- Asset Managers: 45%
- Asset Owners: 14%
- Hedge Funds: 15%
- Banks & Broker-Dealers: 22%
- Wealth Management: 4%

Region

- Americas: 53%
- Europe: 31%
- Asia-Pacific: 16%

1 As of 12/31/2020.
Client Spotlights: How We Enable Our Clients

**Equity Investment Team at U.S. Public Pension**
- Manages a $38B+ global equity portfolio using MSCI Analytics
- Allocates assets across active and indexed strategies
- Selects and replaces external managers
- Internally manages a portfolio linked to a custom multi-factor MSCI index
- Manages all active U.S. equity portfolios

**Large Multi-Strategy Hedge Fund**
- Manages $30B+ in AUM across asset classes using MSCI Analytics
- Identifies investment opportunities and risks across all positions on a daily basis
- Allocates risk capital across various strategies using our risk and factor models
- Builds portfolios and measures the impact of all potential trades using our analytics
- Provides transparency to their investors through our reporting services
ANALYTICS BENEFITS FROM & CONTRIBUTES TO THE INTEGRATED MSCI FRANCHISE
Leveraging Index, ESG, and Private Assets to Differentiate Analytics

Enabling Clients to Build Portfolios Using Content from All Product Lines

Utilizing Standard Building Blocks

Delivering Flexible and Scalable Portfolio Management Solutions

CONTENT
ESG, Factors, Index Universe, Thematic Scores

TOOLS
Portfolio Construction, Optimization, Risk and Performance

REPORTING
Client and Regulatory

MSCI Indexes

Custom Indexes

Custom Client Portfolios

MSCI 2021 INVESTOR DAY
Analytics Products and Client Relationships Contribute to the MSCI Franchise

CROSS SELLING

- MAC risk is a powerful entry point to embed Index, ESG, and Private Assets deeper into clients
- Strong executive level relationships are leveraged across product lines

74% of Analytics Asset Owner Clients Additionally Buy Index Products

35% of Analytics Asset Owner Clients Additionally Buy Index AND ESG Products

DEVELOPING NEW PRODUCTS

- Factor, ESG/Climate, Thematic, and Fixed Income Indexes
- Expansion of ESG Fixed Income Ratings and Climate VaR
- ESG client and regulatory reporting

Note: Unless otherwise noted, all annual figures refer to year-end as of December 31.
ACCELERATING GROWTH IN ANALYTICS
Energizing Growth across Use Cases through Content and Technology

1. **EQUITY**
   - Portfolio Management
   - Mass Customization • Integration with Index • ESG/Climate Integration

2. **FIXED INCOME**
   - Portfolio Management
   - Multi-Asset Solutions • Liquidity • ESG/Climate Reporting • Private Assets • Regulation

3. **MULTI-ASSET CLASS**
   - Risk & Portfolio Management
   - Technology Modernization
     - Client-Facing Applications
     - Cloud-Hosted APIs
     - Client Infrastructure Integration

Investors Need Tools for Every Investment Decision
Significant Growth Opportunities in Equity Portfolio Management: $1B+ TAM

**Growth Drivers**

- **Asset Owners**
  - Increasingly using Factors for portfolio construction and asset allocation

- **Asset Managers**
  - Portfolio customization through end user applications

- **Hedge Funds and Broker Dealers**
  - Large consumers of model data to embed into their investment processes. Eager to consume all the new content we produce

**Accelerators**

- Integration of ESG and Climate in portfolio construction
  - Client-facing applications
  - ESG/climate/thematic integration
  - Capabilities to customize indexes

Content distribution through APIs, partners and digital marketplaces

**Broad Adoption of Factors and Portfolio Customization Driving Growth**
Fast Growth Potential in Fixed Income Portfolio Management

Key Drivers

- Systematic investing in fixed income is growing as data becomes widely available and price transparency improves
- Fixed income investors need to integrate ESG/Climate considerations

Key Opportunities

- Estimated $200M opportunity to help asset owners and asset managers build fixed income portfolios
- Expansion into insurance companies

2020 Results

- 49% YoY run rate growth in 2020
- Resulted from cross-selling fixed income teams of our large multi-asset class client base, as well as winning new clients

MSCI is Offering Differentiated Solutions

- Developed Closely with Clients to Solve Unmet Needs
- Distributed through OMS, which Simplifies Workflows and Creates Consistency
- Will be Integrated with MSCI Fixed Income Indexes and ESG/Climate Data, which are Competitive Differentiators

Investors are Demanding Innovative Solutions and Better Service
Multi-Asset Class Solutions Well Positioned to Grow in a $2B+ TAM

Growth Drivers

- Large demand for multi-asset solutions from institutional and individual investors

- Demand for solutions to new problems from asset managers and asset owners
  Need to innovate, decrease complexity and achieve scale

Accelerators

- Tools for multi-asset solution managers
- Asset allocation solutions for asset owners
- Mass portfolio personalization for wealth managers
- Solutions for liquidity, climate change, long horizon risk, private asset investing and new regulations
- Models and analytics through cloud-hosted APIs and integration with clients’ infrastructure

Solving Two Critical Needs: Building MAC Portfolios and Managing Portfolios across Asset Classes
Solid Trends in Gross Sales and Cancels 2015-2019; 2020 Slowed Down Progress

- Gross sales grew at 8.4% CAGR from 2015 - 2019
- 2020: gross sales were flat in the Americas and up 4.3% in EMEA, but down 57.7% in APAC as they were first affected by the pandemic

- Retention rates improved by 60bps from 2015 - 2019
- 2020: cancels were up 26.5% globally driven by a tough operating environment across client segments, particularly hedge funds

- Substantial margin expansion from 2015 - 2020 with mid-single digit revenue growth while investing in technology and strengthening our products
- EBITDA CAGR: 13% | Revenue CAGR: 3% (5% Organic)
- 2017-2020 Organic Run Rate CAGR: 6.8%

1 Calculation excludes ~$25M of revenue in 2015 from Financial Engineering Associates, Inc. and Investor Force Holdings, Inc. which were both divested in 2018.
Well-Positioned to Capture Near- and Long-term Opportunities

**Near-term Market Opportunity**

$3.5B

- $3.5B immediate TAM across equity, fixed income, and multi-asset class solutions
- Ample room to grow with largest clients and increase penetration with mid-size clients across all client segments
- Focus on Asset Managers, Hedge Funds and Asset Owners across portfolio and risk management
- While expanding rapidly with Broker Dealers in equity portfolio management

**Long-term Market Opportunity**

$20B+

- Greenfield Opportunity
- Replacing Internal Client Spend
- Displacement of Niche Providers

---

1 Immediate Addressable Market is determined by assuming we can capture a run rate equal to the largest client in each client size and segment category. Does not include FI Portfolio Management and MAC Solutions as is based on June run rate.
Developing Capabilities in Key Strategic Areas for Long-term Growth

01 Accelerate Content Innovation
- Fixed income
- ESG/Climate/Thematic integration
- Private assets

02 Go-to-Market and Client Servicing
- Partnerships
- Account management

03 Technology Modernization
- Cloud enabled services and APIs
- Client-facing applications
- Technology to accelerate client and partner integrations
Key Takeaways

01 Pivoting toward portfolio management to **capitalize on growing opportunities to help investors build better portfolios**

02 Fast changing environment presents **attractive opportunities to help clients navigate complexity** through risk management solutions

03 Transforming Analytics by further **modernizing our technology architecture** to offer an **outstanding user experience to clients**

04 Integration of Analytics components within Index, ESG, and Private Assets enabling **product innovation across the firm**
Innovating Private Asset Investing

JAY MCNAMARA
PRESIDENT, BURGISS
Key Messages: Innovating Private Asset Investing

01 Private Assets is a Significant Opportunity
Increased investor allocations and rise of retail investors expected to propel growth in private assets; more tools and data are required to meet investor needs

02 Long History in Private Asset Investing with Extensive Data
Burgiss is a leading provider in private asset investment tools, with data spanning $11T+ of private assets

03 Driving Consistency and Transparency in an Opaque Market
The Burgiss platform provides standardized and enriched analysis across non-standard private capital data

04 Transforming Private Asset Investing
Together with MSCI, we will enable clients to manage their whole portfolio solution across public and private asset classes
Private Asset Markets and Investors are Growing Rapidly

Private asset AUM continues to experience outsized growth, driven mainly by institutional asset owners allocating higher percentages of their assets to private assets as they seek higher returns.

The rise of individual investors is expected to fuel additional growth over the long-term as private asset investment vehicles become more widely available.

AUM Trends and Projections by Asset Class ($T)

- Private Equity
- Private Debt
- Infra
- Natural Resources
- Real Estate
- Total

<table>
<thead>
<tr>
<th>Year</th>
<th>Private Equity</th>
<th>Private Debt</th>
<th>Infra</th>
<th>Natural Resources</th>
<th>Real Estate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$2T</td>
<td>$1T</td>
<td>$1T</td>
<td>$1T</td>
<td>$1T</td>
<td>$7T</td>
</tr>
<tr>
<td>2018</td>
<td>$3T</td>
<td>$2T</td>
<td>$2T</td>
<td>$2T</td>
<td>$2T</td>
<td>$8T</td>
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<tr>
<td>2019</td>
<td>$4T</td>
<td>$3T</td>
<td>$3T</td>
<td>$3T</td>
<td>$3T</td>
<td>$9T</td>
</tr>
<tr>
<td>2020</td>
<td>$4T</td>
<td>$3T</td>
<td>$3T</td>
<td>$3T</td>
<td>$3T</td>
<td>$9T</td>
</tr>
<tr>
<td>2025E</td>
<td>$5T</td>
<td>$4T</td>
<td>$4T</td>
<td>$4T</td>
<td>$4T</td>
<td>$15T</td>
</tr>
</tbody>
</table>

Large Number of Market Participants

- Limited Partners (LPs)
- General Partners (GPs)

- Limited Partners (LPs):
  - 19% <$1B
  - 23% $1B - $5B
  - 40% $5B - $25B
  - 18% >$25B

- General Partners (GPs):
  - 72% <$1B
  - 16% $1B - $5B
  - 5% $5B - $25B
  - 6% >$25B

Source: Preqin, MSCI Real Estate Market Size Report 2019 and Private Equity International
Note: Real Estate AUM based on the gross asset value of unlisted real estate funds
Opaque Private Markets are Primed for a Transformation

**Total Portfolio View**
Institutional LPs focus on balancing public and private assets vs. traditional asset allocation

**New Structures**
Growing vehicle complexity: co-investments, separate accounts, direct investments

**Retail Access**
Emerging technology, changing regulations expand access to previously unqualified investors

**ESG and Climate in Focus**
Becoming mainstream, with outsized impact for long-horizon private investing

**Search for Returns**
LPs turn to private assets for differentiated risk-return profiles

**Expanding Opportunity Set**
Greater dry powder and competition driving growth in emerging markets and niche specializations

**Market Infrastructure**
Secondary exchanges and broader FinTech ecosystem gaining traction

**Transparency**
Improved GP client service to meet growing demands from LPs and regulators

Innovation Driving Improved Transparency, Standards and Capabilities
BURGISS DELIVERS ESSENTIAL DATA AND SOLUTIONS TO HELP INVESTORS BUILD BETTER PRIVATE CAPITAL PORTFOLIOS
Burgiss: Leading the Evolution of Private Capital Investing

- Founded in 1987
- ~400 Specialists
- 1,000+ Institutional Clients
- $11T+ in Private Asset Data
- Robust Data and Tools

Global, market-leading provider of data and analytics solutions for investors of private capital

Focused on private capital investments across the globe

Clients include pension funds, sovereign wealth funds, endowments, foundations and family offices from 32 countries

Sourced without bias from LPs, and covers 10,500+ funds of PE and VC, RE, private debt, infrastructure, natural resources and other private assets

Leading portfolio management, analytics and benchmarks, powered by fund and holding-level data

Uniquely Positioned to Capitalize on the Opportunity

Source: Burgiss Data as of September 30, 2020; Includes Fund of Funds
Strong Foundation to Enable Clients to Make Better Investment Decisions

- Extensive strategic relationships with global Pensions, Sovereign Wealth Funds, Endowments and Foundations

- World-class tools to build, optimize and manage investments
  - Built on base of strong data and leveraging core analytical capabilities

- Unique access to 30+ years of proprietary investment and pricing data
  - Data is a required foundation for supporting clients with investment decisions

Building on $11T of Assets and Decades of Expertise
### Data, Data, Data – One of the Largest Global Private Asset Databases

**Burgiss has**

- **Deep coverage** across asset classes, fund sizes, investment vehicles and vintages, spanning more than 150 countries
- **Full holdings transparency**, accumulated through 4M+ documents, including fundamentals, cash flows and capital structure
- **Data sourced** through private disclosure by general partners

<table>
<thead>
<tr>
<th>Private Asset Category</th>
<th># of Funds</th>
<th>Committed Capital ($B)</th>
<th>Total Market Coverage ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity</td>
<td>6,796</td>
<td>$4,762</td>
<td>$7,323</td>
</tr>
<tr>
<td>Private Real Assets</td>
<td>2,034</td>
<td>$1,566</td>
<td>$1,900</td>
</tr>
<tr>
<td>Private Debt</td>
<td>1,082</td>
<td>$944</td>
<td>$1,167</td>
</tr>
<tr>
<td>Generalist + Other</td>
<td>765</td>
<td>$568</td>
<td>$690</td>
</tr>
<tr>
<td>Total Private Capital</td>
<td>10,677</td>
<td>$7,840</td>
<td>$11,080</td>
</tr>
</tbody>
</table>

*Source: Burgiss Data as of September 30, 2020, Includes Fund of Funds*
Burgiss: A Leading Investment Decision Tool Provider to Private Asset Investors

**Portfolio Management Platform**

Purpose-built platform to allow investment, risk and operations teams to manage, measure and report on their portfolio of private capital commitments.

- Measure and monitor exposures and existing managers
- Identify sources of return and value creation
- Cash flow and liquidity management
- IBOR\(^1\) data service helps relieve investors with the administration of their funds

**Manager Transparency**

Allows clients to monitor their managers and look at their portfolios with a bottoms-up view based on the underlying portfolio companies and entities.

- Understand direct and indirect ownership and performance across entire portfolio
- Measure bottom-up exposure to geography and industry
- Identify drivers of value
- Monitor manager investment activity

**Manager Universe Data**

Gives clients context for performance, exposure and cash flows at the portfolio, fund and now underlying holding levels; provides context for both pre- and post-investment activity.

- Leverages largest research-quality performance data universe of private capital funds
- Benchmark managers and portfolios
- Due diligence and research
- Asset allocation
- Support capital raising and investor relations

\(^1\) Investment Book of Record.
Enhancing Burgiss’ Long-term Growth Strategy

**Go-to-Market**
- Expand distribution and client engagement through new investment hires and a revamped engagement model
- Upgrade Burgiss’ marketing organization to expand media footprint and brand perception
- Drive best practices related to sales governance, organizational design and sales incentive plans
- Utilize MSCI’s senior relationships to generate leads

**Research and Product**
- Enhance market-oriented analysis with increased frequency of research briefs, blog posts and webinars
- Deliver new analytics to respond to client demand
- Additional data capture and enrichment

**Operating Discipline**
- Strengthen talent through upgraded recruiting and training initiatives
- Develop plans to strengthen the link between compensation and performance
- Develop key operating metrics in order to measure progress

**Increased Discipline and Focus to Accelerate Growth**
MSCI ACQUIRED A 40% STAKE IN BURGISS TO TRANSFORM PRIVATE ASSET INVESTING
A Powerful Partnership Between Highly Complementary Franchises

- Leading investment decision support tool provider to the private asset space
- Deep and robust research-quality private capital data set, with myriad opportunities to develop innovative content
- Unique data collection capability
- Strong credibility among private investment teams
- Strength with asset owners including pensions, endowments and foundations
- Global reach with strong U.S. franchise

Strategically Aligned
Strong Cultural Fit
Prepared to Accelerate Innovation
Positioned to Drive Distribution and Adoption

- Leading investment decision tool provider across asset classes
- Market standard frameworks and must-have content to the investment space across the total portfolio
- Large research team, developing cutting-edge content and tools
- Industrialized data factory capturing, cleansing and organizing standard and alternative data sets
- Deep relationships and credibility with the investment teams of the world’s largest investors, particularly pensions and sovereign wealth funds

Enable Clients to Build and Manage Differentiated Portfolios
Both Burgiss and MSCI Have a Deep, Long-standing History in Private Assets

- **Burgiss Founded**: 1985
- **IPD Group Founded (Now Part of MSCI)**: 1987
- **First Release of IPD Global Annual Property Index**: 1996
- **Burgiss Debuted Private i Platform**: 2008
- **Burgiss Released Private Capital Classification System (PCCS)**: 2010
- **MSCI Debuted MSCI Private Equity Model Enhanced with Burgiss Data**: 2012
- **MSCI Launched First Global Private Real Estate Risk Model**: 2013
- **MSCI Launched Global Data and Methodology Standards for Real Estate Investment**: 2016
- **Burgiss Released Infrastructure Risk Model**: 2020
- **Real Estate Climate Value-at-Risk Launched by MSCI**: 2016
- **MSCI Released Infrastructure Risk Model**: 2020

**Timeline Events**

- 1985: Burgiss Founded
- 1987: IPD Group Founded (Now Part of MSCI)
- 1996: First Release of IPD Global Annual Property Index
- 2008: Burgiss Debuted Private i Platform
- 2010: Burgiss Released Private Capital Classification System (PCCS)
- 2012: MSCI Debuted MSCI Private Equity Model Enhanced with Burgiss Data
- 2013: MSCI Launched First Global Private Real Estate Risk Model
- 2016: MSCI Launched Global Data and Methodology Standards for Real Estate Investment, Burgiss Released Infrastructure Risk Model, Real Estate Climate Value-at-Risk Launched by MSCI, MSCI Released Infrastructure Risk Model

**Key Milestones**

- **1985**: Burgiss Founded
- **1987**: IPD Group Founded (Now Part of MSCI)
- **1996**: First Release of IPD Global Annual Property Index
- **2008**: Burgiss Debuted Private i Platform
- **2010**: Burgiss Released Private Capital Classification System (PCCS)
- **2012**: MSCI Debuted MSCI Private Equity Model Enhanced with Burgiss Data
- **2013**: MSCI Launched First Global Private Real Estate Risk Model
- **2016**: MSCI Launched Global Data and Methodology Standards for Real Estate Investment, Real Estate Climate Value-at-Risk Launched by MSCI, MSCI Released Infrastructure Risk Model
Robust Next Wave of Contemplated Coordinated Solutions

**Indexes**
- Holistic suite of private capital indexes
- Multi-asset class (public + private) indexes

**Analytics**
- Risk management standards
- Manager research / fund selection tools
- Evaluated pricing service
- Fundraising tools to understand investor base

**ESG and Climate**
- Investment due diligence tools and analytics
- Investor and regulatory reporting
- Tools to engage with portfolio companies
- Private company and fund-level ESG assessments

Burgiss and MSCI Partnership Expected to Transform Private Market Investing
Key Takeaways

01 Private Assets is a Significant Opportunity
Increased investor allocations and rise of retail investors will propel growth in private assets; more tools and data are required to meet investor needs

02 Long History in Private Asset Investing with Extensive Data
Burgiss is a leading provider in private asset investment tools, with data spanning $11T+ of private assets

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The Burgiss platform provides standardized and enriched analysis across non-standard private capital data

04 Transforming Private Asset Investing
Together with MSCI, we will enable clients to manage their whole portfolio solution across public and private asset classes
Reimagining the Investment Process

PETER ZANGARI
GLOBAL HEAD OF RESEARCH & PRODUCT DEVELOPMENT
Key Messages: Reimagining the Investment Process

01 RPD is a large team of industry experts that **design and create content underpinning MSCI’s competitive advantage**

02 To create that content, **RPD leverages an extensive** network of clients, academics and partners

03 Our **network and research platform has allowed MSCI** to quickly enter new spaces to **solve increasingly complex and mission-critical problems** for clients related to fixed income, Climate, ESG and private asset classes

04 Leading technology and data science **driving scale, productivity and quality of research**
Enabling Clients to Build Better Portfolios through the RPD Process

Understanding the Investment Process
Researchers are practitioners with experience from some of the world’s leading financial institutions.

Translate Understanding to Algorithms and Models
Solve investment problems through cutting-edge research techniques to enable clients to build better portfolios.

Merge with Data and Technology
Operationalize algorithms and models by merging them with the highest quality data sources and scalable technology.
Developing Solutions for Clients to Address Three Primary Use Cases

1. **Portfolio Management**
   - Portfolio construction
   - Incorporate ESG, Climate, factor and other considerations
   - Engage client portfolio management teams on use of MSCI content

2. **Understanding Performance**
   - Performance attribution is central to understanding performance
   - MSCI factors and ESG data enable the explanation of performance
   - New, emerging themes critical for understanding performance

3. **Pricing and Risk**
   - Managing risk at the enterprise and portfolio management level
   - Pricing analytics key for evaluating derivatives and private assets
   - Demand for stress testing and scenario analysis continues to grow
Research and Product Development at MSCI

220+ Trained Team with an Intrapreneurial Culture
across a global footprint split roughly evenly between Americas, EMEA and APAC regions

Expert Knowledge
most researchers possess PhDs or other advanced degrees in finance, economics or other sciences such as physics; team also has expert knowledge of investment process and client use cases

Deeply Technical Skillsets
include artificial intelligence (AI), machine learning (ML) and natural language processing (NLP)

Client-centric Focus
delivers best-in-class investment solutions and thought leadership
Network Distinguishes Our Research and Product Development

Leveraging the Network

- Extensive client engagement around investment practices, trends and client needs
- Data science platform
  - Engine behind idea generation and content creation
  - Rapidly develop research and evaluate ideas
  - Prototype products
  - Strengthen client engagement
  - Reduce time to market
- Engagement with academics, regulators and partners to cultivate broad and deep expert knowledge of investment process and client use cases
- Client solutions and development of industry standards spanning index, risk, ESG, Climate and private assets
Content Innovation Engine to Quickly Address Current and New Categories

**Equity Investing**
- Suite of factors built from alternative data and machine learning (factor lab)
- Incorporation of ESG and Climate data in risk modeling
- Research on portfolio construction
- Similarity scores to define peer groups

**MAC Investing**
- Multi-asset class (MAC) model framework
- Total portfolio management / macro model
- Enhanced private assets

**Sustainability & Thematics**
- ESG ratings model
- Climate risk models and lead client engagement
- Company, industry and thematic research

**Fixed Income**
- Fixed income factor ESG and Climate indexes
- Enhanced fixed income factor models
- Mortgage analytics

Note: Highlighted categories (i.e., NEW) represent new areas of research since 2019 Investor Day.
2020 Client Engagement with MSCI Research and Product Development

449 Posts and Publications Related to Research Content

180% Increase YoY

20%+ YoY Average Increase in Readership of Research Papers and Blog

Most Read Blog

The coronavirus epidemic: Implications for markets

Most Downloaded Paper

2020 ESG trends to watch

1 Research downloads + blog views.
Use Case: Portfolio Management – Custom Indexing

BACKGROUND

Broad client demand seeking an investment opportunity that reflects risk and ESG considerations through index replication

CLIENT EXAMPLE

- Large asset owner wanted to introduce factors aiming at protecting its portfolio while not lagging too much in uptrend markets
- ESG filters were added to lower the carbon footprint and be aligned with regulations
- Client switched all equity bucket from active standard to passive customized ESG and factor mix index

SOLUTION OPPORTUNITY

Enable clients to achieve their goals by leveraging research expertise

- Increasing market share in customized index space
- Seamless ability to address new regulations in space
- Integration across multiple research domains such as ESG, equity factors and risk modeling
Use Case: Pricing and Risk – Liquidity

BACKGROUND

Liquidity regulatory reporting requirements creates significant opportunities for MSCI especially as we continue to make inroads into the fixed income front office space.

CLIENT EXAMPLE

- Fixed income investment team at large global asset manager
- MSCI has become manager’s primary fixed income analytics engine enabling it to manage liquidity needs as well as portfolio construction
- Liquidity integrated with other fixed income analytics to create a holistic solution

SOLUTION OPPORTUNITY

Expanding footprint in front-office fixed income risk and analytics

- Addressed timely regulatory requirement
- Displaced established competitor
- Proof MSCI has moved beyond our beachhead in fixed income front office
Use Case: Creating a Standard in ESG and Climate

**BACKGROUND**
Enabling clients across a range of segments to incorporate ESG and Climate into their investment processes

**CLIENT EXAMPLE**
- Government agency issued in 2020 a set of three consultation papers on its proposed guidelines on environmental risk management
- MSCI Climate data will be used by the Reserves Management Department and risk management
- Agency will use our data in its external regulatory reports, increasing MSCI visibility in terms of Climate change solutions

**SOLUTION OPPORTUNITY**
Expanding to become an industry standard by leveraging technology

- Engaged with government agencies; established standard ESG practices across region
- Responded to agency’s three ESG-related papers
- Opportunity to become standard with the downstream regulated entities
Advances in Research-based Client Engagement: What We’re Working On

On the Horizon

Rapid Prototype Development to Share with Clients

1. Uncover / evaluate insights through data science platform
2. Publish research
3. Generate research notebooks for clients
4. Create interactive charts for clients
5. Craft product prototype to address use cases

Speed at Which an Idea Becomes a Client Experience has Increased Dramatically
Key Takeaways

01. Research and Product Development (RPD) is the content innovation engine of MSCI.

02. To create that content, RPD leverages an industry-leading network of clients, academics and partners.

03. Our network and research platform has allowed MSCI to quickly enter new spaces to solve increasingly complex and mission-critical problems for clients related to fixed income, Climate, ESG and private asset classes.

04. Leading technology and data science driving scale, productivity and quality of research.
Revolutionizing the Investment World through Data & Technology

JIGAR THAKKAR
CHIEF TECHNOLOGY OFFICER & HEAD OF ENGINEERING
Key Messages: Revolutionizing the Investment World through Data & Technology

01 Today, MSCI offers clients mission-critical data and technology capabilities focused on quality, reliability and scale

02 To power the next wave of growth, we will transform all MSCI data and technology capabilities to deliver on our vision of Investment Solutions as a Service

03 The first four Investment Solutions as a Service offerings will be available in 2021 with many more to follow

04 Our vision and new offerings as a service are developed in deep collaboration with Microsoft
MSCI is a Bedrock of the Investment Industry with Three Primary Capabilities Today

1. MODELS
   Next generation capabilities in quantitative investment research

2. DATA
   Source, manage, curate and distribute high-quality data

3. TECHNOLOGY
   Capabilities to support investment process including portfolio construction and risk management

MSCI: Powering Better Investment Decisions
MSCI Data and Technology Today

Proven Ability to Handle Complex, Integrated and High-volume Workflows with Flexible and Scalable Solutions for Client’s Today

**Collect**

- 200+ Data Vendors
- 750+ Data Products
- 29M+ Securities Maintained Daily

**Compute**

- 240K+ Indexes Calculated Daily
- 6.6B+ Positions Processed in Analytics in a Single Day
- 800B+ Daily Instrument Pricings

**Deliver**

- 500+ APIs across All Product Lines
- 12 Proprietary Applications at MSCI
- 30+ Third-Party Distribution Partners

Clean and Enhance

Process and Enrich

To Stay Ahead of Client Demands, MSCI Will Deliver Everything We Do “As a Service”
Deep and High-Quality Data across MSCI Ecosystem

DATA QUALITY

- **99.98%** Equity Data
- **99.97%** FIMAC\(^1\) Data
- **99.91%** Business Activity Data
- **99.16%** Production Data

Data Quality Achieved through Cutting-edge Technology

Leveraging AI throughout Data Production Lifecycle

- Apply AI-based anomaly detection throughout data life cycle from
  - Input data from vendors and other sources
  - Derived data created by MSCI
  - Output data distributed to clients

Harnessing the Power of Advanced Technologies

\(^1\) Fixed income multi-asset class data.
Delivering on Vision of MSCI Investment Solutions as a Service

Advancing the Investment Industry with Hyper Scale of the Cloud and Cutting-edge Technologies to Solve Unique Challenges and Empower Clients to Build Better Portfolios

SEAMLESS ACCESS
- New and Unique Sources of Data, Models and Technology

RAPID ONBOARDING
- Consumption, Metering, Billing and Servicing

CLIENT CUSTOMIZATION
- Personalization, and Data Transparency

MODERN CLIENT EXPERIENCE
- Integrated Products and Services
Launching New Services in 2021 to Transform the Investment Industry

MSCI Investment Solutions as a Service

- **ESG Solutions as a Service**
  - New ESG and Climate Application

- **Index Solutions as a Service**
  - MSCI Customized Index Application

- **Data Management Solutions as a Service**
  - MSCI Data Lake and MSCI Data Explorer

- **Investment Analytics Solutions as a Service**
  - MSCI Developer Portal
  - MSCI APIs

Running on the MSCI Investment Cloud Powered by Microsoft Azure
Launching ESG as a Service with Advanced Climate Analytics

1. ESG and Climate analytics in the cloud, developed with Microsoft

2. Democratizing 4,000+ data points underlying all ESG solutions

3. Modern user experience new application, APIs and data

4. Intuitive experience tailored for peer comparisons with deep analysis and insights on climate and risk assessment of a company
Intuitive User Experience Blended with World’s Leading ESG and Climate Analytics

1. Compare and drill down important climate metrics across companies or industries
2. Ability to create custom reports and visualizations
3. Modern search experience
4. Built on Azure PowerBI platform and mapping services
Launching Indexing as a Service Powering Millions of Indexes

The Power of the MSCI Index Platform at your Fingertips...

1. Hyper scale, deep customization, speed and depth of analytics

2. One-click from ideation to production, delivered to your systems with our MSCI APIs

3. Fast back-testing scenarios to fine-tune indexes in a tight feedback loop

4. Minutes from hypotheses to a new index using our best of breed research and methodologies
A Seamless Index Construction Experience for Better Financial Products

...Solving for the Mass Customization of Our Industry

1. Over 50 years of MSCI experience and IP for your index construction process

2. Create, back-test, customize, order, productionize and receive daily delivery with best quality industry standards of the industry

3. Our platform is your platform with direct access to the full depth and breadth of MSCI’s Index Research

4. Compare personalized Index performance with standard benchmarks and analytics to build better products
Launching MSCI Data Explorer and MSCI Data Lake

1. Rich and extensive datasets at your fingertips
2. Curated by hundreds of data scientists, analysts and quantitative researchers and leading technologists
3. Easy access to search, explore, test, purchase and integrate datasets
4. Expose MSCI data that powers our Index, ESG, Analytics and Real Estate products
Democratizing 50 Years of MSCI Data, Models and IP

1. One-stop and open access to MSCI’s unique repository of curated, proprietary or partners’ datasets

2. Modern search experience to easily find data with previews, trials and extensive documentation

3. Includes multiple levels of core datasets such as entity, company, instrument, country and market

4. Augmented with new datasets such as extensive asset location data, interest rate curves, single security analytics and volatility surfaces
Launching MSCI Developer Portal and APIs: Open Investment Architecture

1. Direct access to MSCI’s Analytics services for risk, performance, ESG, Real Estate, Index

2. Modern Developer Portal to explore our APIs and open architecture through samples, documentation and a built-in sandbox to test new innovative ideas

3. Create your own investment applications or easily integrate your system with our open SaaS architecture

4. Scalable and secure across full range of use cases
One Stop for Everything MSCI for Developers and Researchers

1. Fine-grained access to broad suite of services across Analytics, Index, ESG and Real Estate

2. Modular components make it easy to integrate and build new MSCI products, develop new partnerships or deeply integrate with a customer’s system

3. Enable deeper insights into our customer’s usage and intent

4. Evolve our “as a Service” offerings to enable a tier with usage-based pricing, leading to new avenues of growth
Key Takeaways

01 Today, MSCI offers clients mission-critical data and technology capabilities focused on quality, reliability and scale

02 To power the next wave of growth, we will convert our data and technology capabilities to deliver MSCI “as a Service”

03 The first four “as a service” offerings will be available in 2021 with many more to follow

04 Powering MSCI Investment Solutions as a Service in deep collaboration with Microsoft
Powering Compounding Returns

ANDY WIECHMANN
CHIEF FINANCIAL OFFICER
Key Messages: Powering Compounding Returns

01 Extending exceptional track record of financial execution and value creation

02 Executing disciplined capital allocation strategy focused on Triple Crown opportunities to drive sustainable and significant long-term growth

03 New 2021 effective tax rate guidance; reaffirming all other guidance for 2021, and refining long term targets to capitalize on the massive opportunities through enhanced investment
Exceptional Track Record of Financial Execution

**Revenue ($M)**
- 2016: $1,151
- 2020: $1,695
- CAGR: 10%

**Adj. EBITDA ($M)**
- 2016: $569
- 2020: $972
- CAGR: 14%

**Adj. EPS**
- 2016: $3.03
- 2020: $7.83
- CAGR: 27%

**FCF ($M)**
- 2016: $400
- 2020: $760
- CAGR: 17%

**MSCI Total Shareholder Return**
- MSCI: +531%
- MSCI USA: +113%
- MSCI ACWI: +113%
- MSCI ACWI ESG Leaders: +101%
- MSCI USA ESG Leaders: +74%
- CAGR: 27%, 14%, 17%

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Rapidly Adding New Layers of Growth in Enormous Addressable Markets

Index for Every Portfolio

- $113T Owned Investment Assets
- $82T Managed Investment Assets
- $10T Managed Private Assets

Tools for Every Investment Decision

- $3.9B ESG Solutions
- $3.5B Analytics Solutions
- $1.5B Private Asset Solutions

High Growth New Markets

- Corporates
  - $<5M
- Direct Indexing
  - $<5M
- Insurance
  - Growing 25%
  - $<15M
- Wealth
  - Growing 23%
  - $~50M
- Futures & Options
  - Growing 65%
  - $~50M
- Private Assets
  - Growing 11%
  - $52M
- Fixed Income
  - Growing 65%
  - $56M
- ESG
  - Growing 50%
  - $210M
- Climate
  - Growing 140%
  - $~15M

An Index for Every Portfolio and Tools for Every Investment Decision

1 Based on Company assumptions and multiple third-party reports; 2 Dollar figures represent run rate as of 12/31/2020; 3 Listed only; 4 Excluding Burgiss; 5 Excludes Analytics ERP Benefits. Run Rate totals may include overlap between different client segments. 6 Excludes amounts from Asset Manager and Asset Owner affiliates of Insurance companies.
Positioned to Succeed in All Markets

### Upturn / Downturn Investing Levers

<table>
<thead>
<tr>
<th>Uptown Priorities</th>
<th>Downturn Priorities</th>
<th>Approx. Annual Impact of 10% Flex²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Adjusting</td>
<td>Mostly Discretionary</td>
<td>+/− $10M</td>
</tr>
<tr>
<td>Metric-based Annual Incentives Plans</td>
<td>Discretionary Bonus Pools</td>
<td>+/− $15M</td>
</tr>
<tr>
<td>Pacing of Investments</td>
<td>Training</td>
<td>+/− $15M</td>
</tr>
<tr>
<td>Reprioritization, Pace of Hiring</td>
<td>Professional Fees</td>
<td></td>
</tr>
<tr>
<td>Headcount Optimization</td>
<td>Marketing</td>
<td></td>
</tr>
<tr>
<td>Refi Callable Debt</td>
<td>Delayed Hiring</td>
<td></td>
</tr>
</tbody>
</table>

### REVENUE

- **Times of Strength**
  - 97% recurring revenue¹
  - 74% recurring subscription
  - Retention rates >90% across products
  - >90% of Revenue in USD
  - Non-USD Revenue balances Non-USD Expense¹

- **Times of Stress**
  - AUM-Based Revenue
  - F&O Volumes
  - Performance-oriented Products
  - Risk-oriented Products

### EXPENSES

- **Uptown Priorities**
  - Uptown Growth Investment
  - Expense Management

- **Downtown Priorities**
  - Refi Callable Debt
  - Share Repurchases

### EPS

- **Diversified Geographic & Product Footprint**

---

¹ Includes ABF and Subscription Recurring Revenue; ² Based on current expense base.
EXECUTING DISCIPLINED CAPITAL ALLOCATION STRATEGY
Owner-Operator Culture with Extreme Capital Allocation Discipline

Capital Allocation Grounded in Value Creation

1. **Optimize Capital Structure**
   - Lower cost of capital
   - Optimize equity returns
   - Preserve flexibility

2. **Maximize Organic Investment**
   - Triple Crown process to optimize returns on organic investments

3. **Discipline of Capital Return**
   - Steady and growing return of cash through dividend
   - Meaningful returns while preserving capital

4. **Opportunistically Repurchase Shares and Pursue Strategic MP&A Accelerators**
   - Rigorous process grounded in maximizing returns

**Policy / Result**

- **3.0x – 3.5x Gross Debt / LTM EBITDA**
- **~$160M of Annual Expenditures in Change the Business**
- **Quarterly Dividend 40% - 50% of Adj. EPS**
- **>$3.9B of Repurchases with Average IRR >40% (Since 2012)**

Note: Capital allocation priorities in order of priority. ¹ Includes ownership of Section 16 officers only.
### Strong and Flexible Balance Sheet

<table>
<thead>
<tr>
<th>Total Cash(^1) and Debt(^2) ($M, 12/31/2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash</td>
</tr>
<tr>
<td>Total Debt</td>
</tr>
<tr>
<td>Net Debt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Debt/ TTM(^3) Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Debt/ TTM(^3) EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1x</td>
</tr>
</tbody>
</table>

#### Debt Maturity Schedule ($M)

- Strong balance sheet provides optionality; next maturity not until 2026
- No interest rate exposure (entirely fixed rate debt)
- Remaining capital returned to shareholders through dividends and opportunistic share repurchases

1. MSCI typically seeks to maintain minimum cash balances globally of ~$200.0M – $250.0M for general operating purposes but may maintain higher minimum cash balances while the COVID-19 pandemic continues to impact global economic markets;
2. Reflects gross debt, inclusive of deferred financing fees;
3. Trailing Twelve Months.
Intense Focus on Free Cash Flow as Engine for Value Creation

**Commentary**

- Strong track record of cash conversion >100%, driven by robust operating model
- Proactive working capital management across collections and payables
- Intense focus on expense management
- Attractive client payment terms
- Cash flows enable flexibility and funding of growth initiatives
Internal Capital Allocation Priorities

- Maximize Change the Business investments
- Create additional investment capacity by driving efficiencies
- Ensure effective execution

Triple Crown Criteria for CTB

High Returns
Projects must have a high return (ROI)

Quick Payback <3 Years
Earlier payback preferred

Strong Valuation
Prefer investments with greater impact to MSCI’s valuation (segment multiple) with a particular focus on sustainability
Highly Strategic Change the Business Investments Driving Growth

2021 CTB Investment Profile: ~$160M

**Efficiencies**
$25M (~15%)
Cost avoidance, repurposing and productivity gains. Examples:
- Cloud migration
- Streamline technology development
- Data process improvements

**Enhancements**
$90M (~55%)
Expand existing products and capabilities to accelerate growth. Examples:
- Innovative Factors, ESG & Thematic Indexes
- ESG securities coverage expansion
- Expanding Futures and options

**New Growth**
$45M (~30%)
Drive new business capabilities through new products and services. Examples:
- Index 2.0 platform and infrastructure
- Climate and corporates client segments
- Fixed income Indexes and ESG

---

**ROIC**
Owner-operator Culture Fosters Intense Focus on ROIC and Value Creation

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>14%</td>
</tr>
<tr>
<td>2017</td>
<td>15%</td>
</tr>
<tr>
<td>2018</td>
<td>23%</td>
</tr>
<tr>
<td>2019</td>
<td>26%</td>
</tr>
<tr>
<td>2020</td>
<td>26%</td>
</tr>
</tbody>
</table>

---

**2021 Investments**

- Client Solutions
- Content
- Technology
- Efficiencies
- Enhancing Existing
- New Growth

**2021 New Growth Investments**

- Index Platform
- Analytics Platform
- Client Segments
- Private Assets
- Fixed Income
- ESG & Climate
- Other

---

MSCI 2021 INVESTOR DAY
MP&A is a Powerful Accelerator and Value Creator

Target + MSCI = Unlocked Value

<table>
<thead>
<tr>
<th>Acquisitions</th>
<th>Content / Capability</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>MAC performance and risk</td>
<td>MAC capability</td>
</tr>
<tr>
<td></td>
<td>ESG research</td>
<td>Foundation of ESG franchise</td>
</tr>
<tr>
<td>2014</td>
<td>Governance research and data</td>
<td>“G” pillar of ESG offering</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Client data aggregation</td>
<td>Streamlined client onboarding</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expanded data mgmt. service</td>
</tr>
<tr>
<td>2019</td>
<td>CVaR</td>
<td>Rapid growth across MSCI clients</td>
</tr>
</tbody>
</table>

Partnerships

<table>
<thead>
<tr>
<th>Partnerships</th>
<th>Content / Capability</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Leading fixed income indexes</td>
<td>More than doubled to $17B of AUM YoY</td>
</tr>
<tr>
<td></td>
<td>Liquidity data</td>
<td>Strong growth for liquidity analytics</td>
</tr>
<tr>
<td></td>
<td>Leading credit indexes</td>
<td>Launched family of ESG indices</td>
</tr>
</tbody>
</table>

Footnotes:
1 InvestorForce divested in October 2018; 2 MSCI acquired an equity method investment Burgiss in January 2020
Extreme Capital Allocation Discipline Optimizes Returns on Excess Capital

Dividends ($M)

- Meaningful dividend with strong historical growth
- Payout target of 40% – 50% of Adj. EPS

Share Repurchases ($M, Except Period-end Shares)

- Opportunistic Share Repurchases Capitalizes on Attractive Values and Volatility
- >40% IRR on $4B of Share Repurchases since 2012

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CAPITALIZING ON MASSIVE OPPORTUNITIES THROUGH ENHANCED INVESTMENT
New 2021 Effective Tax Rate Guidance: Reaffirming All Other Guidance for 2021

<table>
<thead>
<tr>
<th>METRIC</th>
<th>RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expense</td>
<td>$870M – $895M</td>
</tr>
<tr>
<td>Adj. EBITDA Expense</td>
<td>$780M – $800M</td>
</tr>
<tr>
<td>Interest Expense¹</td>
<td>~$150M</td>
</tr>
<tr>
<td>D&amp;A Expense</td>
<td>$90M – $95M</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>16% - 19% (vs. 17.5% – 20.5% prior)</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$50M – $60M</td>
</tr>
<tr>
<td>Net Cash for Operating Activities</td>
<td>$845M – $885M</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$785M – $835M</td>
</tr>
</tbody>
</table>

**COMMENTARY**

- Trending towards high end of expense guidance given YTD increases in AUM
- Expect seasonally high Q1 expenses

---

Note: MSCI’s guidance for 2021 is based on assumptions about a number of macroeconomic and capital market factors, in particular related to equity markets. These assumptions are subject to uncertainty, and actual results for the year could differ materially from our current guidance, including as a result of ongoing uncertainty related to the duration, magnitude and impact of the COVID-19 pandemic.¹ Includes amortization of financing fees; interest income will continue to be impacted by the lower rates available on cash balances.
## Updated Long-term Targets

<table>
<thead>
<tr>
<th>Index</th>
<th>Revenue Growth Rate</th>
<th>Adj. EBITDA Expense Growth Rate</th>
<th>Adj. EBITDA Growth Rate</th>
<th>Adj. EBITDA Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Double Digit</td>
<td>Low Double Digit</td>
<td>Low Double Digit</td>
<td>High Single Digit</td>
<td>Mid Single Digit</td>
</tr>
<tr>
<td>High Single Digit</td>
<td>Mid Single Digit</td>
<td>Mid to High 20s</td>
<td>Mid Teens</td>
<td>Low Double Digit</td>
</tr>
<tr>
<td>Mid to High 20s</td>
<td>Mid to High 20s</td>
<td>Low to Mid Teens</td>
<td>High 50s</td>
<td></td>
</tr>
</tbody>
</table>

1 Ex-ABF.
Key Takeaways

01. Extending exceptional track record of financial execution and value creation

02. Executing disciplined capital allocation strategy

03. Capitalizing on the massive opportunities
Invest in MSCI · Change the World

HENRY FERNANDEZ
CHAIRMAN & CHIEF EXECUTIVE OFFICER
Invest in MSCI · Change the World

01  Extremely well-positioned to help investors navigate a complex and transforming investment world

02  Powerful capabilities and solutions to meet investors’ needs to build better portfolios for a better world

03  The people, culture and track record to execute well and deliver compounding returns

04  Invest in MSCI · Change the World
Q&A Session

To ask a question please use the Q&A feature located on the webcast OR email investorrelations@msci.com
Presenter Biographies
HENRY FERNANDEZ
Chairman & Chief Executive Officer

As MSCI’s Chairman and Chief Executive Officer, Henry Fernandez has led the firm for over two decades to its position today as a premier provider of indexes and portfolio construction and risk management tools, as well as Environmental, Social and Governance (ESG) data and research. MSCI is an S&P 500 company that is listed on the NYSE. It has revenues of over USD 1.6 billion and a market cap of over USD 30 billion. In 2019, Mr. Fernandez was one of 30 CEOs named in Barron’s list of the World’s Best CEOs.

Headquartered in New York, and with offices in more than 30 cities across more than 20 countries, MSCI is a central connecting point for the global investment industry. MSCI’s clients are the world’s largest investors, including pension funds, sovereign wealth funds, asset managers, mutual funds, ETF providers, hedge funds, and banks. The firm has pursued a successful growth strategy, both organically and through the acquisition of market-leading brands such as Barra and RiskMetrics, and by developing an integrated set of industry-standard offerings to meet the rapidly-changing needs of sophisticated global investors.

Prior to becoming CEO, Mr. Fernandez was a Managing Director at Morgan Stanley, where he worked in emerging markets business strategy, equity derivatives sales and trading, mergers and acquisitions, mortgage-backed securities and corporate finance. Prior to Morgan Stanley, he was President of private equity firm HispaniMedia, Inc. He also founded Ferco Partners, Inc., a private equity investment firm in Mexico and from 1976 to 1979 he was a diplomat in the Nicaraguan Embassy in Washington, DC.

Mr. Fernandez serves on the boards of directors/trustees of Royalty Pharma plc, Stanford University, King Abdullah University of Science and Technology, the Hoover Institution, the Memorial Sloan-Kettering Cancer Center, the Foreign Policy Association, and Catholic Charities of the Archdiocese of New York. Previously, he served on the boards of trustees at Georgetown University, The Trinity School, The Browning School, MexDer (Mexican Derivatives Exchange) and was Chair of the Advisory Council at the Stanford University Graduate School of Business.

Mr. Fernandez holds a Bachelor of Arts degree in Economics from Georgetown University, an MBA from Stanford University, and pursued doctoral studies in Economics at Princeton University. He was born in Mexico and grew up in Nicaragua. He lives in New York City with his wife and three children.
BAER PETTIT
President & Chief Operating Officer

Baer Pettit, as President and Chief Operating Officer of MSCI, oversees the company’s day-to-day operations and leads MSCI’s business functions, including client coverage, marketing, product management, research and product development, technology, data services and operations. He has been President since October 2017. Baer is the executive leader of the company’s innovation initiative and serves as a member of MSCI’s Executive Committee.

Baer joined MSCI in January 2000 as Head of European Client Coverage. From 2001 he was Global Head of Client Coverage and became Global Head of Marketing in 2006 through to 2012. From 2011 he was Global Head of Index, becoming Global Head of Products and Chief Operating Officer in 2015.

Prior to MSCI, Baer spent eight years at Bloomberg L.P., as Head of Bloomberg’s European sales organization, where he ran their sales organization in France, Scandinavia and the U.K. Before this, Baer worked in Equity Derivatives at Barclays De Zoete Wedd and Morgan Stanley Asset Management.

Baer is both a U.S. and U.K. national and speaks French, German and some Dutch. He holds a Master of Arts degree in History from Trinity College, Cambridge University and a Master of Science degree from the School of Foreign Service at Georgetown University.
ANDY WIECHMANN  
Chief Financial Officer

As Chief Financial Officer, Andy C. Wiechmann, leads the company’s global finance and investor relations functions, and partners with the heads of the Company’s product lines and key functions to drive efficient financial management of the Company. He is a member of MSCI’s Executive Committee.

Andy Wiechmann previously served as Chief Strategy Officer from May 2019 to October 2020, Head of Strategy and Corporate Development from July 2012 to March 2019, as Head of Investor Relations from December 2017 to March 2019 and Head of Financial Planning & Analysis from July 2015 to December 2017. In these roles, he has played an integral role in driving MSCI’s most important strategic growth initiatives, overseeing M&A and partnership activities and managing the firm’s capital structure, including helping to establish the leverage and dividend policies and overseeing share repurchase and financing activities.

While Andy formally joined MSCI in 2012, he has been a member of the MSCI family since 2006; beginning with his work on various potential acquisitions as well as MSCI’s IPO while an investment banker at Morgan Stanley. Over the years, he has been a key member of our finance organization, performing numerous responsibilities and providing significant contributions to our ongoing transformation.

Prior to joining MSCI in 2012, Mr. Wiechmann was an investment banker at Morgan Stanley where he executed M&A and capital markets transactions for financial technology and specialty finance companies.

Mr. Wiechmann holds Bachelor of Arts degrees in Physics and Economics from Hamilton College.
DIANA TIDD
Head of Index & Chief Responsibility Officer

Diana Tidd, as Head of Index, is responsible for all aspects of product management and business strategy for the MSCI indexes. Diana is a member of MSCI’s Executive Committee. Diana joined MSCI in 1999. During her tenure, Diana has served in a variety of roles, including Head of Americas Client Coverage for six years. More recently, she was appointed MSCI’s Chief Responsibility Officer, where Diana coordinates MSCI’s Environmental, Social and Governance (ESG) strategy and activities. Diana is also chairperson of MSCI’s Index Risk and Regulatory Committee and is an advisor to the Executive Diversity Council and the Employer Brand Council at MSCI. Diana co-founded in 2013, and now advises, MSCI’s global Women’s Leadership Forum. She was previously on the Company’s 401K Committee.

Prior to MSCI, Diana worked at Brown Brothers Harriman & Co., for five years where she had roles in the Risk and European teams, before becoming Head of the Asia Team, in BBH’s global custody division. Diana started her career in the Trust and Estates division of the Private Bank at Bankers Trust Co.

Mrs. Tidd serves on the Board of Directors of Women in ETFs US and of West Africa Village Education (WAVE). Diana previously served as Co-President of Women in ETFs (WE) for 2017 and 2018. In 2016, Diana was named by Money Management Executive as one of the Top Women in Asset Management.

Diana 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.
REMY BRIAND
Head of ESG & Climate

Remy Briand, as Head of ESG & Climate, is responsible for MSCI’s ESG (environmental, social and governance) ratings products. He is a member of the firm’s Executive Committee.

Remy Briand has been leading MSCI ESG Research since its creation in 2010. Remy also served until February 2017 as global head of research for MSCI where he led a team of 150 researchers designing indexes, analytics and risk models for institutional investors. As head of index research for 10 years, he managed the expansion of the MSCI Global Indexes to cover 80 developed, emerging and frontier markets. He also initiated and led the development of MSCI’s market-leading factor indexes.

Mr. Briand joined MSCI in 2001 from Credit Lyonnais Asset Management, where he was equity portfolio manager and head of research. He began his career as a private equity analyst at Credit Lyonnais.

Over his 27-year career as an investor, researcher and business leader, Remy has gained unique insights on topics such as global investing, emerging markets, sustainable investment and financial innovation. He regularly shares his views at industry conferences and with financial news media.

Remy holds a Master of Science degree in Computer Sciences from INSA (Lyon) and an MBA from HEC (Paris).
Jorge Mina, as Head of Analytics, is responsible for MSCI’s equity and multi-asset class risk and portfolio management products. He is a member of the firm’s Executive Committee. Jorge is also Chair of MSCI’s Executive Diversity Council.

Prior to his current role, Jorge served as Head of Analytics for the Americas since 2015. He joined MSCI in 2010, following MSCI’s acquisition of RiskMetrics and served as a managing director of Risk Management Analytics from 2010 to 2015. Prior to joining MSCI, Jorge was a founding member at RiskMetrics Group where he served in a variety of roles, including co-head of the RiskMetrics Business and Head of Research.

Jorge holds a Bachelor of Arts degree in Actuarial Sciences from the Instituto Tecnológico Autónomo de México and a Master’s in Financial Mathematics from the University of Chicago.

Alvise Munari is the Global Head of Client Coverage at MSCI. He is responsible for overseeing MSCI’s sales, client relationship management and client service teams globally. He is also a member of MSCI’s Executive Committee as well as Chairman of the EMEA region. Prior to his current role, he served as the Head of Client Coverage for EMEA since 2015.

Before joining MSCI, Alvise worked at Morgan Stanley on the sell-side, as Global Head of Equity Derivatives sales and Financial Engineering. He has also held senior positions at Merrill Lynch and Goldman Sachs.

Alvise holds a DPhil. in Mathematics from Oxford University and an undergraduate degree in Economics and Mathematics from the London School of Economics. He was also a post-doctoral fellow in the mathematical laboratories at the École Polytechnique.
JIGAR THAKKAR  
Chief Technology Officer & Head Of Engineering

Mr. Thakkar has served as Chief Technology Officer and Head of Engineering since July 2018. In this role, he is responsible for overseeing the company’s engineering technology services, development and data science operations.

Prior to joining MSCI, he served as Corporate Vice President at Microsoft from 2017 to 2018, leading software engineering for Microsoft Teams and Skype for Business. Prior to that, he served as a Partner Director of Engineering from 2012 to 2017. During his 19-year tenure at Microsoft, he built large-scale products and served in various leadership positions within the Office 365, Dynamics CRM, Bing, Windows and MSN divisions.

He holds a Master of Science in Electrical Engineering from the University of Southern California and a Bachelor of Science in Electronics Engineering from the Maharaja Sayajirao University of Baroda in India.

PETER ZANGARI  
Global Head of Research & Product Development

Peter Zangari, as Global Head of Research and Product Development, sets MSCI’s research agenda and drives integration of research into MSCI’s products and services to deliver innovative solutions to investment problems. He is a member of the Executive Committee.

Prior to this, Peter served as Head of Analytics at MSCI, responsible for its equity and multi-asset class risk and portfolio management products, and was Head of Equity Portfolio Management Analytics before that. Prior to joining MSCI, Peter held progressively senior-level positions at Goldman Sachs, 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, Peter was responsible for building out and managing GSAM’s proprietary equity risk and attribution platform.

Peter began his career at JP Morgan in the RiskMetrics and company-wide Risk groups, where he conducted extensive research in the areas of market and credit risk. He is one of the original members of RiskMetrics and his work in this area has been widely published.

Peter 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.
JAY MCNAMARA  
President, Burgiss

As President and Global Head of Client Coverage, Jay McNamara is responsible for overseeing sales, marketing, client service and relationship management and leading Burgiss’ overall strategy for business development.

Before joining Burgiss in 2020, Jay was the Head of Real Estate at MSCI, where he was responsible for all aspects of product management and business strategy for the MSCI Real Estate product line. Prior to that, Jay was Head of Americas Client Coverage and Global Head of Asset Owners and Investment Consultant Coverage. He was also a member of MSCI's Firm-wide Executive Committee.

Prior to MSCI, Jay held a series of sales and relationship management roles at Brown Brothers Harriman & Co. in Boston, Hong Kong SAR and New York.

Jay holds a Bachelor of Arts degree in Economics and Political Science from the College of the Holy Cross.

Previously he served as Chairman of the Explore Schools’ Board of Trustees, a network of high-performing public charter schools in Central Brooklyn.
SALLI SCHWARTZ
Head of Investor Relations and Treasurer

As Head of Investor Relations and Treasurer, Salli oversees MSCI’s relationships with its equity and debt investors, sell-side analysts, rating agencies and partner banks, and executes the company’s financing, cash management and capital allocation activities. Salli serves as a member of MSCI’s Corporate Responsibility Committee, Enterprise Risk Oversight Committee and Investment Committee.

Prior to MSCI, Salli spent over 12 years with Moody’s Corporation, most recently as Global Head of Strategic Capital Management and Treasurer. She previously served as Treasurer and as Global Head of Investor Relations and Communications, as well as on Moody’s Corporate Development team. Prior to joining Moody’s, Ms. Schwartz held positions in corporate strategy, corporate treasury and financial planning & analysis with Citigroup. She has also held investment banking and merchant banking positions with Legg Mason.

Salli previously served as a board director and chair of the Audit Committee of the National Academy Foundation (NAF), a non-profit organization. Ms. Schwartz has an MBA from Cornell University and a Bachelor of Arts degree from the University of Pennsylvania, both with distinction.
Appendix
Use of Non-GAAP Financial Measures

MSCI has presented supplemental non-GAAP financial measures as part of this presentation. Reconciliations are provided in the following slides that reconcile each non-GAAP financial measure with the most comparable GAAP measure. The non-GAAP financial measures presented in this earnings presentation should not be considered as alternative measures for the most directly comparable GAAP financial measures. The non-GAAP financial measures presented in this earnings presentation are used by management to monitor the financial performance of the business, inform business decision-making and forecast future results.

"Adjusted EBITDA" is defined as net income before (1) provision for income taxes, (2) other expense (income), net, (3) depreciation and amortization of property, equipment and leasehold improvements, (4) amortization of intangible assets and, at times, (5) certain other transactions or adjustments, including the impact related to the vesting of the multi-year restricted stock units subject to performance payout adjustments granted in 2016 (the "Multi-Year PSUs").

"Adjusted EBITDA expenses" is defined as operating expenses less depreciation and amortization of property, equipment and leasehold improvements and amortization of intangible assets and, at times, certain other transactions or adjustments, including the impact related to the vesting of the Multi-Year PSUs.

"Adjusted net income" and "adjusted EPS" are defined as net income and diluted EPS, respectively, before the after-tax impact of the amortization of acquired intangible assets, including the amortization of the basis difference between the cost of the equity method investment and MSCI’s share of the net assets of the investee at historical carrying value, the impact of divestitures, the impact of adjustments for the Tax Cuts and Jobs Act that was enacted on December 22, 2017 ("Tax Reform"), except for certain amounts associated with active tax planning implemented as a result of Tax Reform, and, at times, certain other transactions or adjustments, including the impact related to the vesting of the Multi-Year PSUs and costs associated with debt extinguishment.

"Adjusted tax rate" is defined as the effective tax rate excluding the impact of Tax Reform adjustments (except for certain amounts associated with active tax planning implemented as a result of Tax Reform) and the impact related to the vesting of the Multi-Year PSUs.

"Capex" is defined as capital expenditures plus capitalized software development costs.

"Free cash flow" is defined as net cash provided by operating activities, less Capex.

"Organic operating revenue growth" is defined as operating revenue growth compared to the prior year period excluding the impact of acquired businesses, divested businesses and foreign currency exchange rate fluctuations.

We believe adjusted EBITDA and adjusted EBITDA expenses are meaningful measures of the operating performance of MSCI because they adjust for significant one-time, unusual or non-recurring items as well as eliminate the accounting effects of certain capital spending and acquisitions that do not directly affect what management considers to be our ongoing operating performance in the period.

We believe adjusted net income and adjusted EPS are meaningful measures of the performance of MSCI because they adjust for the after-tax impact of significant one-time, unusual or non-recurring items as well as eliminate the impact of any transactions that do not directly affect what management considers to be our ongoing operating performance in the period. We also exclude the after-tax impact of the amortization of acquired intangible assets and amortization of the basis difference between the cost of the equity method investment and MSCI’s share of the net assets of the investee at historical carrying value, as these non-cash amounts are significantly impacted by the timing and size of each acquisition and therefore not meaningful to the ongoing operating performance in the period.

We believe that adjusted tax rate is useful to investors because it increases the comparability of period-to-period results by adjusting for the estimated net impact of Tax Reform and the impact related to the vesting of the Multi-Year PSUs.

We believe that free cash flow is useful to investors because it relates the operating cash flow of MSCI to the capital that is spent to continue and improve business operations, such as investment in MSCI’s existing products. Further, free cash flow indicates our ability to strengthen MSCI’s balance sheet, repay our debt obligations, pay cash dividends and repurchase shares of our common stock.

We believe organic operating revenue growth is a meaningful measure of the operating performance of MSCI because it adjusts for the impact of foreign currency exchange rate fluctuations and excludes the impact of operating revenues attributable to acquired and divested businesses for the comparable prior year period, providing insight into our ongoing operating performance for the period(s) presented.

We believe that the non-GAAP financial measures presented in this earnings presentation facilitate meaningful period-to-period comparisons and provide a baseline for the evaluation of future results.

Adjusted EBITDA expenses, adjusted EBITDA, adjusted net income, adjusted EPS, adjusted tax rate, Capex, free cash flow and organic operating revenue growth are not defined in the same manner by all companies and may not be comparable to similarly-titled non-GAAP financial measures of other companies. These measures can differ significantly from company to company depending on, among other things, long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Accordingly, the Company’s computation of these measures may not be comparable to similarly-titled measures computed by other companies.
Use of Operating Metrics

MSCI has presented supplemental key operating metrics as part of this presentation, including Retention Rate, Run Rate, subscription sales, subscription cancellations and non-recurring sales.

Retention Rate is an important metric because subscription cancellations decrease our Run Rate and ultimately our operating revenues over time. The annual Retention Rate represents the retained subscription Run Rate (subscription Run Rate at the beginning of the fiscal year less actual cancels during the year) as a percentage of the subscription Run Rate at the beginning of the fiscal year. The Retention Rate for a non-annual period is calculated by annualizing the cancellations for which we have received a notice of termination or for which we believe there is an intention not to renew during the non-annual period, and we believe that such notice or intention evidences the client's final decision to terminate or not renew the applicable agreement, even though such notice is not effective until a later date. This annualized cancellation figure is then divided by the subscription Run Rate at the beginning of the fiscal year to calculate a cancellation rate. This cancellation rate is then subtracted from 100% to derive the annualized Retention Rate for the period. Retention Rate is computed by operating segment on a product/service-by-product/service basis. In general, if a client reduces the number of products or services to which it subscribes within a segment, or switches between products or services within a segment, we treat it as a cancellation for purposes of calculating our Retention Rate except in the case of a product or service switch that management considers to be a replacement product or service. In those replacement cases, only the net change to the client subscription, if a decrease, is reported as a cancel. In the Analytics and the ESG operating segments, substantially all product or service switches are treated as replacement products or services and netted in this manner, while in our Index and Real Estate operating segments, product or service switches that are treated as replacement products or services and receive netting treatment occur only in certain limited instances. In addition, we treat any reduction in fees resulting from a down-sale of the same product or service as a cancellation to the extent of the reduction. We do not calculate Retention Rate for that portion of our Run Rate attributable to assets in index-linked investment products or futures and options contracts, in each case, linked to our indexes.

Run Rate estimates at a particular point in time the annualized value of the recurring revenues under our client license agreements ("Client Contracts") for the next 12 months, assuming all Client Contracts that come up for renewal are renewed and assuming then-current currency exchange rates, subject to the adjustments and exclusions described below. For any Client Contract where fees are linked to an investment product’s assets or trading volume/fees, the Run Rate calculation reflects, for ETFs, the market value on the last trading day of the period, for futures and options, the most recent quarterly volumes and/or reported exchange fees, and for other non-ETF products, the most recent client-reported assets. Run Rate does not include fees associated with "one-time" and other non-recurring transactions. In addition, we add to Run Rate the annualized fee value of recurring new sales, whether to existing or new clients, when we execute Client Contracts, even though the license start date, and associated revenue recognition, may not be effective until a later date. We remove from Run Rate the annualized fee value associated with products or services under any Client Contract with respect to which we have received a notice of termination or non-renewal during the period and have determined that such notice evidences the client’s final decision to terminate or not renew the applicable products or services, even though such notice is not effective until a later date.

"Organic subscription Run Rate growth" is defined as the period over period Run Rate growth, excluding the impact of changes in foreign currency and the first year impact of any acquisitions. It is also adjusted for divestitures. Changes in foreign currency are calculated by applying the currency exchange rate from the comparable prior period to current period foreign currency denominated Run Rate.

Sales represents the annualized value of products and services clients commit to purchase from MSCI and will result in additional operating revenues. Non-recurring sales represent the actual value of the customer agreements entered into during the period and are not a component of Run Rate. New recurring subscription sales represent additional selling activities, such as new customer agreements, additions to existing agreements or increases in price that occurred during the period and are additions to Run Rate. Subscription cancellations reflect client activities during the period, such as discontinuing products and services and/or reductions in price, resulting in reductions to Run Rate. Net new recurring subscription sales represent the amount of new recurring subscription sales net of subscription cancellations during the period, which reflects the net impact to Run Rate during the period.

Total gross sales represent the sum of new recurring subscription sales and non-recurring sales. Total net sales represent the total gross sales net of the impact from subscription cancellations.
## Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Index adjusted EBITDA</td>
<td>$766,493</td>
<td>$670,188</td>
<td>$607,853</td>
<td>$522,241</td>
<td>$431,478</td>
<td></td>
</tr>
<tr>
<td>Analytics adjusted EBITDA</td>
<td>172,924</td>
<td>152,113</td>
<td>143,645</td>
<td>125,624</td>
<td>128,507</td>
<td></td>
</tr>
<tr>
<td>All Other adjusted EBITDA</td>
<td>32,093</td>
<td>28,198</td>
<td>20,935</td>
<td>11,892</td>
<td>9,472</td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated adjusted EBITDA</strong></td>
<td><strong>971,510</strong></td>
<td><strong>850,499</strong></td>
<td><strong>772,433</strong></td>
<td><strong>659,757</strong></td>
<td><strong>569,457</strong></td>
<td></td>
</tr>
<tr>
<td>Multi-Year PSU payroll tax expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>56,941</td>
<td>49,410</td>
<td>54,189</td>
<td>44,547</td>
<td>47,033</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization of property, equipment and leasehold improvements</td>
<td>29,805</td>
<td>29,999</td>
<td>31,346</td>
<td>35,440</td>
<td>34,320</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td><strong>884,764</strong></td>
<td><strong>755,701</strong></td>
<td><strong>686,898</strong></td>
<td><strong>579,770</strong></td>
<td><strong>488,104</strong></td>
<td></td>
</tr>
<tr>
<td>Other expense (income), net</td>
<td>198,539</td>
<td>152,383</td>
<td>57,002</td>
<td>112,871</td>
<td>102,166</td>
<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>84,403</td>
<td>39,670</td>
<td>122,011</td>
<td>162,927</td>
<td>125,083</td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td><strong>$601,822</strong></td>
<td><strong>$563,648</strong></td>
<td><strong>$507,885</strong></td>
<td><strong>$303,972</strong></td>
<td><strong>$260,855</strong></td>
<td></td>
</tr>
</tbody>
</table>
Reconciliation of Adjusted EBITDA Expenses to Operating Expenses *(UNAUDITED)*

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2021</th>
<th>Outlook (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In thousands</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Index adjusted EBITDA expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analytics adjusted EBITDA expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other adjusted EBITDA expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated adjusted EBITDA expenses</strong></td>
<td>$780,000 - $800,000</td>
<td></td>
</tr>
<tr>
<td>Multi-Year PSU payroll tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization of property, equipment and leasehold improvements</td>
<td>$90,000 - $95,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$870,000 - $895,000</td>
<td></td>
</tr>
</tbody>
</table>

1We have not provided a line-item reconciliation for adjusted EBITDA expenses to total operating expenses for this future period because we do not provide guidance on the individual reconciling items between total operating expenses and adjusted EBITDA expenses.
Reconciliation of Diluted EPS to Adjusted EPS (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$601,822</td>
<td>$563,648</td>
<td>$507,885</td>
<td>$303,972</td>
<td>$260,855</td>
</tr>
<tr>
<td>Plus: Amortization of acquired intangible assets and equity method investment basis difference</td>
<td>37,413</td>
<td>34,773</td>
<td>43,981</td>
<td>39,157</td>
<td>47,033</td>
</tr>
<tr>
<td>Plus: Multi-Year PSU payroll tax expense</td>
<td>–</td>
<td>15,389</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Discrete excess tax benefit related to Multi-Year PSU vesting</td>
<td>–</td>
<td>(66,581)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Plus: Debt extinguishment costs associated with the 2024 and 2025 Senior Notes Redemptions</td>
<td>44,930</td>
<td>16,794</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Gain on sale of Alacra (not tax effected)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(771)</td>
</tr>
<tr>
<td>Less: Gain on sale of FEA (not tax effected)</td>
<td>–</td>
<td>–</td>
<td>(10,646)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Gain on sale of InvestorForce</td>
<td>–</td>
<td>–</td>
<td>(46,595)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Valuation Allowance released related to InvestorForce disposition</td>
<td>(6,256)</td>
<td>–</td>
<td>(8,272)</td>
<td>34,500</td>
<td>–</td>
</tr>
<tr>
<td>Less: Tax Reform adjustments</td>
<td>(16,490)</td>
<td>(13,226)</td>
<td>1,678</td>
<td>(10,772)</td>
<td>(15,243)</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$661,419</td>
<td>$550,797</td>
<td>$480,273</td>
<td>$366,086</td>
<td>$292,645</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$7.12</td>
<td>$6.59</td>
<td>$5.66</td>
<td>$3.31</td>
<td>$2.70</td>
</tr>
<tr>
<td>Plus: Amortization of acquired intangible assets and equity method investment basis difference</td>
<td>0.44</td>
<td>0.41</td>
<td>0.49</td>
<td>0.43</td>
<td>0.49</td>
</tr>
<tr>
<td>Plus: Multi-Year PSU payroll tax expense</td>
<td>–</td>
<td>0.18</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Discrete excess tax benefit related to Multi-Year PSU vesting</td>
<td>–</td>
<td>(0.78)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Plus: Debt extinguishment costs associated with the 2024 and 2025 Senior Notes Redemptions</td>
<td>0.53</td>
<td>0.20</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Gain on sale of Alacra (not tax effected)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Less: Gain on sale of FEA (not tax effected)</td>
<td>–</td>
<td>–</td>
<td>(0.12)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Gain on sale of InvestorForce</td>
<td>–</td>
<td>–</td>
<td>(0.52)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Less: Valuation Allowance released related to InvestorForce disposition</td>
<td>–</td>
<td>–</td>
<td>(0.09)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Plus: Tax Reform adjustments</td>
<td>(0.07)</td>
<td>–</td>
<td>(0.09)</td>
<td>0.38</td>
<td>–</td>
</tr>
<tr>
<td>Less: Income tax effect</td>
<td>(0.19)</td>
<td>(0.16)</td>
<td>0.02</td>
<td>(0.13)</td>
<td>(0.16)</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>$7.83</td>
<td>$6.44</td>
<td>$5.35</td>
<td>$3.98</td>
<td>$3.03</td>
</tr>
</tbody>
</table>
### Reconciliation of Net Cash Provided by Operating Activities to FCF (Unaudited)

<table>
<thead>
<tr>
<th>In thousands</th>
<th>Year Ended</th>
<th>Dec. 31,</th>
<th>Dec. 31,</th>
<th>Dec. 31,</th>
<th>Dec. 31,</th>
<th>Dec. 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$ 811,109</td>
<td>$ 709,523</td>
<td>$ 612,762</td>
<td>$ 404,158</td>
<td>$ 442,363</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(21,826)</td>
<td>(29,116)</td>
<td>(30,257)</td>
<td>(33,177)</td>
<td>(32,284)</td>
<td></td>
</tr>
<tr>
<td>Capitalized software development costs</td>
<td>(29,149)</td>
<td>(24,654)</td>
<td>(18,704)</td>
<td>(15,640)</td>
<td>(10,344)</td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>(50,975)</td>
<td>(53,770)</td>
<td>(48,961)</td>
<td>(48,817)</td>
<td>(42,628)</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 760,134</td>
<td>$ 655,753</td>
<td>$ 563,801</td>
<td>$ 355,341</td>
<td>$ 399,735</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 601,822</td>
<td>$ 563,648</td>
<td>$ 507,885</td>
<td>$ 303,972</td>
<td>$ 260,855</td>
<td></td>
</tr>
</tbody>
</table>

### Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

<table>
<thead>
<tr>
<th>In thousands</th>
<th>Full Year</th>
<th>2021</th>
<th>Outlook (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$845,000 - $885,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized software development costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>($60,000 - $50,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$785,000 - $835,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) We have not provided a line-item reconciliation for free cash flow to net cash from operating activities for this future period because we do not provide guidance on the individual reconciling items between net cash from operating activities and free cash flow.