

## MSCI Inc. Quarterly Update

April 25, 2023

MSCI remains well-positioned to deliver mission-critical tools, solutions and content investors need to build more effective portfolios.

### Addressing the Needs of Clients and Client Segments

- Launch of MSCI Corporate Sustainability Insights: Corporate issuers increasingly need tools to understand the ESG and climate challenges and opportunities facing their companies. During the quarter, we launched MSCI Corporate Sustainability Insights – a solution that gives executives at listed companies tracked by MSCI ESG Research the ability to measure and compare their ESG and climate data versus peers, while also identifying potential disclosure gaps, through intuitive charts, graphs and maps. MSCI Corporate Sustainability Insights is also designed to provide corporate issuers with views into their climate risk exposure and alignment with global temperature goals with access to relevant information from MSCI ESG Research’s Climate Value-at-Risk and Implied Temperature Rise solutions.
- Published Climate Market Overview Report on Real Capital Analytics (RCA) platform: To support commercial real estate investor clients as they continue to factor in the impact of climate change, we have released a new report on the RCA platform to generate climate insights related to Commercial Real Estate markets. The report measures the distribution of climate risk across markets and property types. The report complements the detailed asset-level factsheet that we delivered in 2022 and gives users the big-picture view across a single or multiple markets and provides details across physical and transition risks.
- Launch of MSCI Float Data Product: To address demand from broker dealer and hedge fund clients, during the quarter we launched the MSCI Float Data Product, a new offering created to provide additional transparency related to free float market capitalization at a security level. Free float market capitalization is one of the inputs in the construction of MSCI indexes. This extensive data set includes all securities within the MSCI equity universe and is updated on a monthly basis.
- During the quarter we won several awards and received several recognitions:
  - MSCI ESG Research’s Implied Temperature Rise won “**Most Innovative ESG Product**” of the year at ESG Investing Awards 2023. MSCI Implied Temperature Rise equips investors with a metric that plots how companies or portfolios align with global temperature targets.
  - MSCI won the “**Best Smart Beta Index Provider**” award at the SRP Europe Awards 2023. SRP is the leading provider of intelligence for the global structured product market and recognizes industry leading talent through their awards programs.
  - MSCI accepted four “best index provider” ETF Express European Awards for 2023, recognizing our success in the growing ETF industry and our commitment to meeting a range of diverse benchmark needs for investors. We won in the following categories: **Best European Index Overall Provider, Best Index Provider – Equity ETFs, Best Index Provider – ESG ETFs and Best Index Provider – Emerging Markets ETFs.**

## Launching Innovative Solutions and Products

- Launch of New Japan Equity Factor Models: We launched the next generation of MSCI Japan Equity Factor Models. Designed to help investors better understand the factors that drive portfolio risk and performance as market conditions change, the model features three new factors, Sustainability, Crowding and Machine Learning. Building on MSCI's five decades of factor research, and developed in consultation with some of the world's largest investors, the latest models enable institutional investors to construct portfolios across new and familiar factor dimensions; run comparisons to industry peers and benchmarks; and provide enhanced transparency into portfolio characteristics through improved handling of IPOs, improved coverage, and dynamic industry exposure analysis.
- Launch of the MSCI ACWI IMI Immuno-oncology Index, developed in collaboration with Royalty Pharma: We launched the MSCI ACWI IMI Immuno-oncology Index, the second Index in our new Life Sciences suite of indexes developed in collaboration with Royalty Pharma. This new index follows the launch of ACWI IMI Virology Index last year. The MSCI ACWI IMI Immuno-oncology Index aims to represent the performance of a set of companies that are associated with research, development, and commercialization of products for cancer immunotherapy, also known as Immuno-oncology. Immuno-oncology is a form of cancer treatment that uses the power of the body's own immune system to prevent, control and eliminate cancer. The new index can be utilized for investment universe identification, internal research, benchmarking and as the basis for ETFs, structured products or other index-linked investments.
- Launch of Integrated Market and Credit Model: The Integrated Market and Credit Model (IMC) is a newly launched comprehensive model that quantifies the impact of market movements and default events across short and long investment horizons, to allow clients to measure and manage both sources of risk together. IMC offers a single, consistent framework in place of disjointed solutions that are costly to operate and are less effective. By integrating important aspects of both market and default events into IMC, clients are now able to better express views about probabilities of default, recovery rates, credit drivers and reinvestment rates to tailor analyses to their investment horizons and to generate various scenarios to test on their portfolios. Clients can access this innovative model seamlessly through MSCI RiskManager.

## Enhancing Capabilities with Data, Technology and through Partnerships

- Strategic Collaboration with Salt Financial to create risk-controlled index solutions for insurance companies: During the quarter, MSCI announced a strategic collaboration with Salt Financial to provide insurance companies and their clients with a new way to leverage MSCI's 50 years of expertise in research and index construction using Salt's patent-pending truVol® Risk Control Engine (RCE). The use of historical intraday data for volatility forecasting in truVol is designed to help increase volatility targeting accuracy and responsiveness for risk-controlled indexes. Combining MSCI's expertise in index construction and Salt's truVol technology, we intend to create highly differentiated risk-controlled indexes for use in the indexed annuity market. Retirement solutions are in great demand, fueled by an aging population, volatile and uncertain markets, and investors' desire for principal-protected products.

**About MSCI Inc.**

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit [www.msci.com](http://www.msci.com).

**About MSCI ESG Research Products and Services**

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

**FORWARD-LOOKING STATEMENTS**

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

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the Securities and Exchange Commission (“SEC”) on February 10, 2023 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if MSCI’s underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this quarterly update reflects MSCI’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI’s operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.