



# MSCI Inc. Quarterly Update

January 27, 2022

## Addressing the Needs of Clients and Client Segments

- MSCI remains well-positioned to deliver mission-critical content investors need to build better portfolios for a better world.
- Recent and upcoming examples include:
  - In October, Hong Kong Futures Exchange Limited (HKEX) launched an index futures contract based on the MSCI China A50 Connect Index, which proved to be the most successful launch of a future contract based on an MSCI Index
  - Coming soon is a new client application called Index Builder that provides investors with the opportunity to create and customize indexes, marking the first time clients will have MSCI's index construction capabilities at their fingertips. The service is aimed at delivering an insightful and efficient experience that shortens the time from market hypothesis to new customized indexes.
  - In 2021, our clients launched over 200 new ETF products linked to MSCI indexes.

## Launching Innovative Solutions

- Expanded Thematic indexes: We launched eight new thematic indexes including five in our new Circular Economy suite focusing on: Natural Resources Stewardship, Sustainable Water Transition, Renewables & Energy Efficiency, Sharing Economy and Plastics Transition. MSCI also launched indexes on Clean Energy Infrastructure, Blockchain Economy and Space Exploration. These new indexes enable investors to explore, identify, measure, and leverage various themes that are shaping our collective future.
- Launch of MSCI Thematic Exposure Standard: MSCI launched the industry's first comprehensive and systematic dataset for analyzing fund and portfolio exposures through a Thematic lens. MSCI Thematic Exposure Standard helps investors identify, measure, and leverage the emerging, long term secular trends shaping our future. It enables investors to better understand their portfolio's economic linkage to long term structural trends, and to create products, strategies, and portfolios that unlock new opportunities.
- Macro-Finance Model: In December 2021, MSCI released its Macro-Finance model which links macroeconomic variables with market factors. Clients can define custom shocks to baseline macroeconomic expectations – growth, inflation, nominal rates – and measure the long-horizon impact to both macroeconomic variables and market factors. The model is integrated with BarraOne, allowing clients to forecast the P&L impact of changes in baseline macroeconomic expectations to any BarraOne portfolio. This initial release covers the United States, with global markets to follow in 2022.

## Enhancing Capabilities

- Partnership with Impact Data Provider GIST: In January 2022, MSCI announced its partnership with GIST, a data and analytics company, whose impact data measures the value a company is adding to or subtracting from society's natural, human and produced capital. This partnership expands MSCI's fast-evolving ESG and Climate data ecosystem to offer investors more choice, flexibility and greater access to diverse data sources to enhance their models and capture new insights. GIST's robust data will allow our clients to measure and report on the extent their investments are contributing towards the achievement of the UN Sustainable Development Goals.
- Strategic Alliance with Menai Financial Group: In January 2022, MSCI announced its collaboration with Menai Financial Group ("Menai"), a leading provider of institutional-grade digital asset investment products and trading services. This strategic alliance marks one of MSCI's first collaborations in the digital asset space. As investor interest grows, MSCI has recognized the demand for robust frameworks and analytical tools to help provide insights into performance, risk and classification within this emerging asset class. Menai's expertise in digital assets will support MSCI's development of the solutions institutional investors can leverage to navigate this market, understand the risks and challenges, and capitalize on emerging opportunities and developments as the rapidly growing industry drives technological change.
- Distribution agreement with Archer: In November 2021, MSCI signed a distribution agreement with Archer, a technology-enabled service provider to the investment management industry, to help investment managers quickly develop and deliver tax-optimized portfolios across multiple asset classes. Archer plans to integrate MSCI's Barra Open Optimizer, an open, flexible optimization library, specifically designed to help managers implement tax-aware strategies and solve portfolio management challenges. This collaboration will provide enhanced customization capabilities to clients to be able to construct and rebalance tax-aware multi-asset class portfolios at scale.

## 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).

## 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, 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 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.