

## **MSCI Will Retain the MSCI Global Investable Market Indexes Unchanged and Launch a New Index Series Reflecting the Preferences of Investors on Unequal Voting Structures**

**London – October 30, 2018** – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today that the MSCI Global Investable Market Indexes will continue to reflect the complete investable equity universe for international institutional investors. Hence, equity securities with unequal voting structures will continue to be eligible for inclusion in the MSCI Global Investable Market Indexes at their free float market capitalization weight. MSCI also announced today that it will launch a new index series that will reflect the desire of many investors to account for unequal voting structures in the indexes they use. This decision follows an extensive, global 18-month long consultation which highlighted the divide in opinions among international institutional investors.

MSCI supports fully the one share one vote principle as we believe that having equal voting rights should be an important consideration in equity investing. The one share one vote principle has also gathered overwhelming support from participants in the consultation. The treatment of unequal voting structures in equity benchmarks, however, has proven to be a polarizing question among international institutional investors. For instance, while many participants felt strongly that benchmarks should be adjusted to reflect unequal voting structures, other participants highlighted that the question of unequal voting rights should be addressed holistically by the stakeholders that are responsible for operating, regulating and investing in equity markets. These stakeholders include, among others, securities regulators, stock exchanges, asset owners and asset managers.

MSCI continues to believe that global market benchmarks, such as the MSCI Global Investable Market Indexes, should aim to represent the broadest investment opportunity set available to international institutional investors based solely on the investability of the underlying markets. Investable market benchmarks should not be constrained by specific investor opinions, preferences or constraints including governance issues. This point has been articulated by many international investors, including asset owners and managers globally, who clearly highlighted the critical need to find the right balance between investor views and comprehensive representation of the investable equity universe.

“Current market benchmarks have served the investment community well over the past decades as an objective reflection of the investable investment opportunity set available to international institutional investors. As of today, we do not believe that preferences and constraints on voting rights, among other governance considerations, should impact the definition of the investable universe underpinning these benchmarks as equity securities with no or unequal voting rights are still investable for most investors”, said Remy Briand, Managing Director and Chairman of the MSCI Index Policy Committee.

Briand added, “At the same time, an increasingly large number of international investors believe that it is important to incorporate additional considerations beyond investability in their benchmarks and have been

using for that purpose a wide range of standard or customized indexes that incorporate governance considerations”.

Recognizing the increasing importance of voting rights for many equity investors, MSCI will create an additional index series that will specifically include voting rights in the eligibility criteria and construction methodology as described in the last consultation proposal. This new series could be used as a substitute to the MSCI Global Investable Market Indexes and offer choice and flexibility to international institutional investors who wish to reflect voting rights in their equity benchmarks. MSCI plans to launch the new index series in Q1 2019.

MSCI recognizes that the investment community will need more time to agree on a single approach to address the divisive question on the treatment of unequal voting structures. The views of market participants on this topic will continue to evolve over time and MSCI will actively seek feedback from market participants on this issue. More information on this topic will be shared as and when appropriate.

-Ends-

### About MSCI

For more than 40 years, MSCI’s research-based indexes and analytics have helped the world’s leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 99 of the top 100 largest money managers, according to the most recent P&I ranking.

For more information, visit us at [www.msci.com](http://www.msci.com).

### Media Inquiries

[PR@msci.com](mailto:PR@msci.com)

Sam Wang	+1 212 804 5244
Laura Hudson	+44 20 7336 9653

### MSCI Global Client Service

EMEA Client Service	+ 44 20 7618.2222
Americas Client Service	+1 888 588 4567 (toll free)
Asia Pacific Client Service	+ 852 2844 9333

---

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the “Information”) is the property of MSCI Inc. or its subsidiaries (collectively, “MSCI”), or MSCI’s licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the “Information Providers”) and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.



The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on [www.msci.com](http://www.msci.com).

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of [www.msci.com](http://www.msci.com).

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. 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.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD, and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.