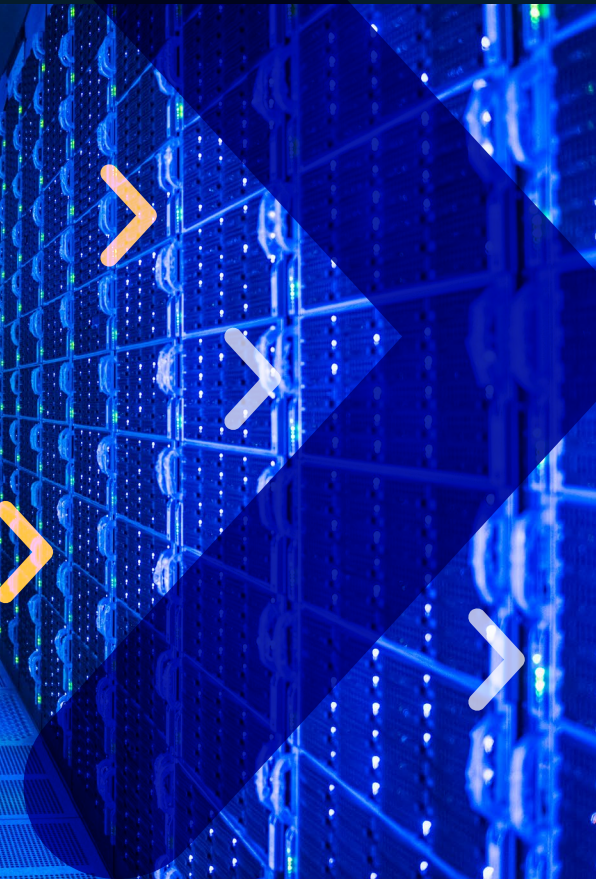


# MSCI Equity Factor Models

The next generation Barra models are here!

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# Navigating increasingly **complex investment challenges**

Investors today are designing and investing in more adaptive and resilient portfolios that are engineered to capture market opportunities and navigate risk. Equally important are portfolios reflecting modern views such as sustainability and new or highly differentiated sources of return. At the same time, to make more informed investment decisions it's critical to understand the investment characteristics driving portfolio risk and performance and to manage uncertainty.



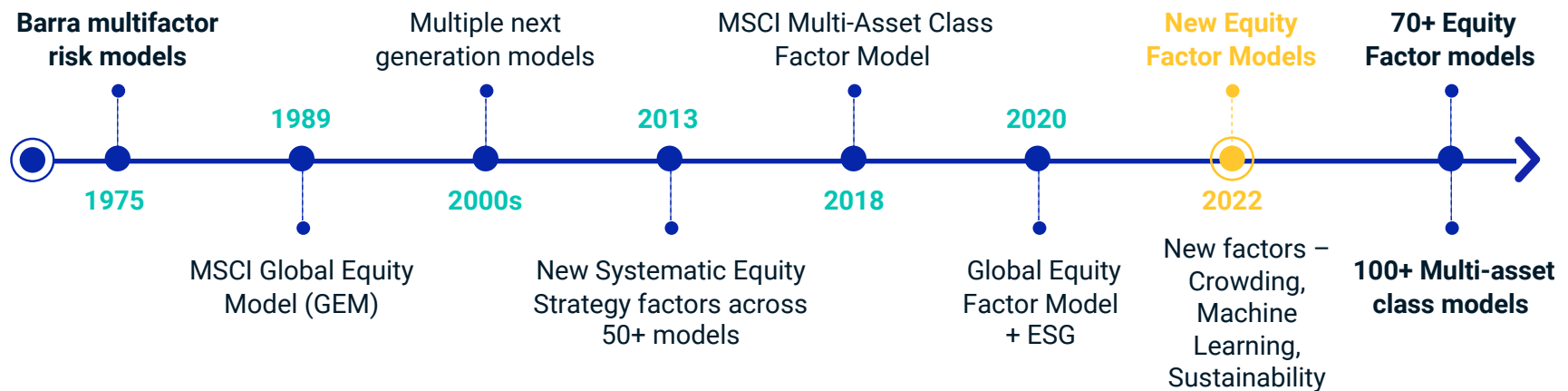


# Redefining the way models are constructed and delivered



The next generation Barra factor models are here. These new models are an evolution of our pioneering Barra models and are designed to help investors solve modern investing's most pressing challenges.

## MSCI Model Evolution



Built on the Barra legacy of tried and trusted models launched a half-century ago, our next generation suite of models reflect today's fast moving and complex financial markets. To keep pace with these developments, and investors' ever-changing needs, our new models include factors like sustainability, crowding and machine learning – empowering investors with the confidence to construct

more resilient portfolios, manage downside risk and to make better-informed investment decisions. These new factors are complemented by new modeling techniques and enhanced risk-forecasting such as adaptive covariance capabilities to make the models smarter and more responsive to market regime. Additionally, our cloud-based technology makes our solutions easier to use and access more seamlessly.



# Key benefits

## **Adaptive & Responsive**

Highly adaptive risk modelling framework to understand constantly changing market regimes

## **Scalable**

Scalable and modular to simplify the investment process

## **Efficient**

Operational efficiency powered by cloud-based technology

## **Modern**

Capturing exposures through machine learning, crowding, and sustainability factors to express modern views

## **Expanded Coverage**

Special Purpose Acquisition Companies (SPAC) coverage and special handling of SPACs pre-deal

# Elevate your investment process with new equity factor models

MSCI helps clients build, implement and measure factor-based strategies through consistent, systematic, and transparent factor frameworks. Combining the best of academic and practitioner research, our Barra factor models represent the industry standard for measuring factor exposure and risk, and for attributing performance through a factor lens.



Our models enable investors to implement more rigorous risk management practices, understand and communicate their performance in the context of risks taken, and construct more robust portfolios.

## ➤ Better understand the factors that drive portfolio risk and performance

- » Gain complete insights into portfolio risk with MSCI equity factor Models
- » Assess the 'bubbiness' or level of crowding of stocks and portfolios to be able to make informed decisions about downside risk protection or identify allocation opportunities
- » Understand and capture non-linear relationships between factor exposures and returns using machine learning
- » Measure the exposures of your portfolio to ESG and understand its contribution to portfolio risk and return

## ➤ Build more adaptive, resilient portfolios that reflect modern investor views

- » Understand the carbon intensity of your portfolio to meet your decarbonization or net-zero commitments
- » Help your portfolios weather changing market regimes over multiple cycles with the help of adaptive factor covariance
- » Identify clusters of highly similar companies that may lead to "cluster risk" in your portfolio
- » Expand your investment opportunity with new models evaluating pre-merger Special Purpose Acquisition Corporations (SPACs)

## ➤ Access and customize solutions to suit your process

- » Align your global investment strategies with a modular (or more consistent) factor structure
- » Access the models in the most modern and flexible way via Snowflake

# The data you want in the format you need

MSCI is redefining how our content is delivered, offering more agile and cost-efficient ways for investors to access our models. Our models are designed to work with your technology and preferences. Whether it's Barra Portfolio Manager, BarraOne, Models Direct (flat files), third-party suppliers or Snowflake distribution, MSCI is lowering the barriers for investors to access our content in a more efficient and scalable way.





## About MSCI Inc.

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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)

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