
S&P DOW JONES INDICES AND MSCI ANNOUNCE REVISIONS TO THE GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS®) STRUCTURE IN 2016

New York, November 10, 2014 - S&P Dow Jones Indices, a leading provider of financial market indices, and MSCI Inc., a leading provider of investment decision support tools worldwide, announced today that as a result of their annual review of the Global Industry Classification Standard (GICS®) structure, a new Real Estate Sector is being created, elevating its position from under the Financials Sector and bringing the number of GICS Sectors to 11. In addition, a new Sub-Industry for Copper is being created. The changes are being considered for implementation after the market close (ET) on August 31, 2016.

The creation of an additional Sector under the GICS structure is a first for the classification system since its creation in 1999. Promoting Real Estate to a Sector from its current Industry Group under Financials recognizes its growing position in today's global economy as well as highlighting the progressive nature of the GICS structure.

"Feedback from the annual GICS structural review confirmed that Real Estate is now viewed as a distinct asset class and is increasingly being incorporated separately into the strategic asset allocation of asset owners," said Remy Briand, Managing Director and Global Head Equity Research at MSCI. "Investors told us that there are significant differences between public Real Estate and Financial companies and therefore Real Estate deserves a dedicated GICS Sector. Today's announcement ensures that GICS continues to be the most accurate, complete and standard industry analysis framework for investment research, portfolio management and asset allocation."

According to David Blitzler, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, "Real Estate is an important and growing part of major economies throughout the world. To reflect this and support good financial analysis, GICS is introducing an eleventh sector for Real Estate and redefining Financials to exclude Real Estate. This is an example of our ongoing effort to ensure that GICS is reflective of today's markets."

The annual review is intended to ensure that the GICS structure continues to appropriately represent the global equity markets, enabling asset owners, asset managers and investment research specialists to make consistent global comparisons by industry. The GICS review included a consultation with members of the global investment community, the results of which are detailed below.

S&P Dow Jones Indices and MSCI are proposing to implement the changes to the GICS structure after the market close (ET) on Wednesday, August 31, 2016, but are requesting feedback from market participants on this proposed implementation date by February 13, 2015. The final decision on the date of implementation will be announced by March 13, 2015. The list of securities affected by these changes will be announced at a later date closer to the implementation, but with plenty of advance notice.

The changes to the GICS structure in 2016 are summarized below.

Real Estate Sector

Market feedback concerning the creation of a Real Estate Sector under GICS methodology has been very favorable. The market generally perceives real estate companies as fundamentally different from companies in other Sectors under GICS, including financial companies. Globally, real estate has recovered significantly and REITs have surpassed pre-crash market highs.

Real Estate is being moved out from under the Financials Sector and is now being promoted to its own Sector under the code 60. The Real Estate Investment Trusts Industry is being renamed to Equity Real Estate Investment Trusts (REITs), and excludes Mortgage REITs. Mortgage REITs remain in the Financials Sector under a newly created Industry and Sub-Industry called Mortgage REITs.

Sector	Industry Group	Industry	Sub-Industry
60 – Real Estate (new Sector and code)	6010 – Real Estate (new code)	601010 – Equity Real Estate Investment Trusts (REITs) (rename and new code)	60101010 – Diversified REITs (new code)
			60101020 – Industrial REITs (new code)
			60101030 – Hotel & Resort REITs (new code)
			60101040 – Office REITs (new code)
			60101050 – Health Care REITs (new code)
			60101060 – Residential REITs (new code)
			60101070 – Retail REITs (new code)
			60101080 – Specialized REITs (new code)
		601020 – Real Estate Management & Development (new code)	60102010 – Diversified Real Estate Activities (new code)
			60102020 – Real Estate Operating Companies (new code)
			60102030 – Real Estate Development (new code)
			60102040 – Real Estate Services (new code)

There are no changes to the definitions for the Sub-Industries in the Real Estate Sector.

Sector	Industry Group	Industry	Sub-Industry
40 – Financials	4020 – Diversified Financials	402010- Diversified Financial Services	40201020 – Other Diversified Financial Services
			40201030 – Multi-Sector Holdings
			40201040 – Specialized Finance
		402020 – Consumer Finance	40202010 – Consumer Finance

Sector	Industry Group	Industry	Sub-Industry
40 – Financials (continued)	4020 - Diversified Financials (continued)	402030 – Capital Markets	40203010 – Asset Management & Custody Banks
			40203020 – Investment Banking & Brokerage
			40203030 – Diversified Capital Markets
		402040 – Mortgage REITs (new Industry & code)	40204010 – Mortgage REITs (new code)

There are no changes to definitions for Sub-Industries in the Diversified Financials Industry Group.

Copper

Over the years, the global demand for copper has increased significantly due to the expansion of sectors such as electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products. This has caused significant investment interest in copper stocks. Market feedback is in favor of creating a Sub-Industry for Copper, both to add granularity to the GICS structure and in anticipation of the expected strong growth of copper stocks.

A Copper Sub-Industry is being created in the Metals & Mining Industry, broken out from Diversified Metals & Minerals.

Sector	Industry Group	Industry	Sub-Industry
15 – Materials	1510 – Materials	151040 – Metals & Mining	15104010 – Aluminum
			15104020 – Diversified Metals & Mining
			15104025 – Copper (new Sub-Industry & code)
			15104030 – Gold
			15104040 – Precious Metals & Minerals
			15104045 – Silver
			15104050 – Steel

The definition for the Copper Sub-Industry is as follows: Companies involved primarily in copper ore mining.

The proposals relating to the Telecommunication Services Sector and Luxury Goods Sub-Industry are not resulting in changes to the GICS structure at this time.

Telecommunication Services Sector

The diminishing size of the Telecommunication Services Sector as well as the convergence of telecommunication and cable companies prompted a review of how to best organize these companies within the GICS structure. Though there was positive feedback concerning the proposal to combine cable and telecommunications companies into a Communication Services Sector, there was also significant feedback asking that other solutions be considered beyond what was proposed in the consultation. Therefore, it has been determined that the proposal to move the Broadcasting and Cable & Satellite Sub-Industries into the Telecommunication Services Sector requires further analysis. Activity in this area continues to be monitored to further evaluate how best to handle the convergence of telecommunication and cable companies.

Luxury Goods Sub-Industry

Demand for luxury goods is on the rise with the growth of disposable incomes. These companies have different business models, target markets, branding, pricing, and marketing strategies from mass marketed goods. Despite the differences, however, determining a definition for luxury goods is subjective and difficult to apply globally. As a result, S&P Dow Jones Indices and MSCI have decided not to pursue the creation of a luxury goods classification at this time.

The new GICS structure will consist of 11 Sectors, 24 Industry Groups, 68 Industries and 157 Sub-Industries.

Summary of 2016 GICS structure changes:

NEW CODES		
Level	Code	Code Name
Sector	60	Real Estate
Industry Group	6010	Real Estate
Industry	402040	Mortgage REITs
Industry	601010	Equity Real Estate Investment Trusts (REITs)
Industry	601020	Real Estate Management & Development
Sub-Industry	15104025	Copper
Sub-Industry	40204010	Mortgage REITs
Sub-Industry	60101010	Diversified REITs
Sub-Industry	60101020	Industrial REITs
Sub-Industry	60101030	Hotel & Resort REITs
Sub-Industry	60101040	Office REITs
Sub-Industry	60101050	Health Care REITs
Sub-Industry	60101060	Residential REITs
Sub-Industry	60101070	Retail REITs
Sub-Industry	60101080	Specialized REITs
Sub-Industry	60102010	Diversified Real Estate Activities
Sub-Industry	60102020	Real Estate Operating Companies
Sub-Industry	60102030	Real Estate Development
Sub-Industry	60102040	Real Estate Services

DISCONTINUED CODES		
Level	Code	Code Name
Industry Group	4040	Real Estate
Industry	404020	Real Estate Investment Trusts (REITs)
Industry	404030	Real Estate Management & Development
Sub-Industry	40402010	Diversified REITs
Sub-Industry	40402020	Industrial REITs
Sub-Industry	40402030	Mortgage REITs
Sub-Industry	40402035	Hotel & Resort REITs
Sub-Industry	40402040	Office REITs
Sub-Industry	40402045	Health Care REITs
Sub-Industry	40402050	Residential REITs
Sub-Industry	40402060	Retail REITs
Sub-Industry	40402070	Specialized REITs
Sub-Industry	40403010	Diversified Real Estate Activities
Sub-Industry	40403020	Real Estate Operating Companies
Sub-Industry	40403030	Real Estate Development
Sub-Industry	40403040	Real Estate Services

More information about GICS including the current structure is available on S&P Dow Jones Indices' website at www.spdji.com and MSCI's website at www.msci.com.

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About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indexes, portfolio risk and performance analytics, and ESG data and research.

The company's flagship product offerings are: the MSCI indexes with over USD 9.5 trillion estimated to be benchmarked to them on a worldwide basis¹; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indexes and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

¹ As of June 30, 2014, as reported on September 30 2014 by eVestment, Morningstar and Bloomberg

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