

## **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.

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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).

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