PRESS RELEASE

RESULTS OF MSCI 2016 MARKET CLASSIFICATION REVIEW

MSCI will delay including China A shares in the MSCI Emerging Markets Index

New York – June 14, 2016 – MSCI Inc. (NYSE: MSCI), a leading provider of global equity indexes, announced today that it will delay including China A shares in the MSCI Emerging Markets Index. Over recent months, Chinese authorities have introduced significant improvements in the accessibility of the China A shares market for global investors. These improvements touch the major categories previously cited as impediments to inclusion: (1) resolution of the issues regarding beneficial ownership, (2) enhanced regulations on trading suspension, which was flagged as the most critical by investors, and (3) QFII policy changes aimed at addressing quota allocation and capital mobility restrictions.

“There have been significant steps toward the eventual inclusion of China A shares in the MSCI Emerging Markets Index,” said Remy Briand, MSCI Managing Director and Global Head of Research. “They demonstrate a clear commitment by the Chinese authorities to bring the accessibility of the China A shares market closer to international standards. We look forward to the continuation of policy momentum in addressing the remaining accessibility issues.”

Mr. Briand added, “International institutional investors clearly indicated that they would like to see further improvements in the accessibility of the China A shares market before its inclusion in the MSCI Emerging Markets Index. In keeping with its standard practice, MSCI will monitor the implementation of the recently announced policy changes and will seek feedback from market participants.”

MSCI gathered feedback from market participants on the potential inclusion of China A shares in the MSCI Emerging Market Index during an extensive global consultation. Investors recognized the actions taken to further open the China A shares market and highlighted that the topic of beneficial ownership has been satisfactorily resolved. They generally stressed the need for a period of observation to assess the effectiveness of the QFII quota allocation and capital mobility policy changes as well as the effectiveness of the new trading suspension policies. The 20% monthly repatriation limit remains a significant hurdle for investors that may be faced with redemptions such as mutual funds and must be satisfactorily addressed. Finally, the local exchanges’ pre-approval restrictions on launching financial products remain unaddressed. Hence, MSCI will retain the China A shares inclusion proposal as part of the 2017 Market Classification Review. MSCI does not rule out a potential off-cycle announcement should further significant positive developments occur ahead of June 2017.

In today’s announcement, MSCI also said that the MSCI Pakistan Index will be reclassified to Emerging Markets status, coinciding with the May 2017 Semi-Annual Index Review.

The MSCI Peru Index will remain in the MSCI Emerging Markets Index. However, MSCI highlighted that it will proceed with the reclassification of Peru to Frontier Markets status in the event that the MSCI Peru Index falls short of the minimum requirement for Emerging Markets that the index contains at least three constituents. As a reminder, the MSCI Peru Index currently includes the minimum of three constituents.

MSCI also announced today that it will include the MSCI Argentina Index in its 2017 Annual Market Classification Review for a potential reclassification to Emerging Markets status.

The MSCI Korea Index, however, will not be included on the list for a potential reclassification to Developed Markets status as part of the 2017 Review because the recent changes announced by the Financial Services Commission in South Korea will not take effect until 2017 and the investment frictions related to the lack of convertibility of the Korean Won and restrictions imposed by the local stock exchange on the use of exchange data for the creation of financial products remain unaddressed.

MSCI further announced that the MSCI Nigeria Index may be removed from the MSCI Frontier Markets Index and reclassified as a stand-alone market due to capital mobility issues. MSCI said it will consult with international institutional investors over the coming three months on a reclassification proposal that could be implemented with the November 2016 Semi-Annual Index Review.

MSCI said that it welcomes the recent market accessibility enhancements announced by the Saudi Arabian Capital Market Authority and the Saudi Stock Exchange (Tadawul) and will continue to monitor the positive evolution in the opening of the Saudi Arabian equity market for international institutional investors. The announced changes, including changes to the settlement cycle of listed securities, elimination of the cash prefunding requirement and the introduction of proper delivery versus payment – as well as changes to the rules for Qualified Foreign Investors – are planned to be implemented by mid-2017. Once in effect, these enhancements will bring the Saudi equity market closer to Emerging Market accessibility standards.

Finally, MSCI released the 2016 Global Market Accessibility Review for the 82 markets under its coverage.

Each June, MSCI communicates its conclusions, based on discussions with the international investment community, on a list of markets under review. At that time, it also announces new markets to be reviewed for potential market reclassification in the upcoming cycle.

China A shares

MSCI continues to observe positive market-opening developments in the Chinese equity capital market. In particular, it sees the recently-announced enhanced trading suspension regulation, the clarification regarding beneficial ownership and QFII policy changes addressing restrictions on quota allocations and capital mobility as significant steps toward the eventual inclusion of China A shares in the MSCI Emerging Markets Index.

MSCI previously highlighted four issues to be resolved before the inclusion of China A shares in the MSCI Emerging Markets Index as part of the MSCI 2016 Annual Market Classification Review:

1. *Beneficial ownership*

   Most international institutional investors are satisfied with the clarification released by CSRC in early May 2016 about the beneficial ownership issues. Hence, MSCI considers this question to be resolved.

2. *Effectiveness of the QFII policy changes affecting accessibility and capital mobility*

   International institutional investors need more time to work with the relevant regulator and gather experience regarding the recently implemented QFII policy changes, including policy enhancements intended to improve capital mobility. For example, a number of international investors said that they were still awaiting their QFII quota allocation for applications submitted months before. Other investors said that they were not yet able to benefit from daily capital repatriation despite the fact that policy changes went into effect in early February of this year. Positive experiences on quota applications, as well as seamless execution of daily capital repatriation under the new rules, are critical considerations for international investors in supporting inclusion in the MSCI Emerging Markets Index.

   Additionally, a large number of market participants highlighted the operational challenges surrounding the monthly repatriation limit that remained unaddressed as part of the recent capital mobility enhancements. Under current regulation, QFII investors cannot repatriate on a monthly basis more than 20% of their prior-year net asset value. This limit poses a potential liquidity concern for investors who need to honor redemption outflows from their clients, and thus must be removed or substantially increased with a shorter repatriation horizon, otherwise the effectiveness of the QFII channel would be significantly reduced.

3. *Implementation of measures preventing widespread voluntary suspensions of trading*

   The suspension of stock trading was a focal point of discussion during the MSCI consultation. International investors were extremely vocal about the liquidity risk that may result from voluntary suspensions in trading of mainland Chinese companies. In that context, MSCI welcomes the recently announced measures on suspension treatment by the Shanghai and Shenzhen stock exchanges, while noting that the market practice remains unique not only for Emerging Markets but for all markets covered by MSCI. Given that the new regulation has been implemented very recently, a period of observation is needed to assess its effectiveness and determine that the number of suspended stocks on the Shanghai and Shenzhen exchanges has been significantly reduced.

4. *Pre-approval requirements imposed by the local Chinese stock exchanges*

   International investors expressed concern over potential uncertainties regarding the broad pre-approval restrictions imposed by the Shanghai and Shenzhen stock exchanges on launching financial products by any financial institution on any stock exchange internationally if these products are linked to indexes that include China A shares. These restrictions apply to any new financial products as well as to any existing products. The breadth of the restrictions is unique in Emerging Markets, as is the possibility that existing financial products based on the MSCI Emerging Markets Index would be in danger of having their trading disrupted if China A shares were included in Emerging Markets and a Chinese exchange withheld its approval of MSCI's licensing of the MSCI Emerging Markets Index as the basis of that product. Consequently, a vast majority of investors said that alignment to international norms and satisfactory resolution of this issue is essential if they are to include A shares in their investment opportunity set.

   Recognizing the significant progress to date and ongoing reform efforts, MSCI said that China A shares will remain on the 2017 review list, pending the conclusion based on investor feedback that the QFII policy changes and new suspension treatment are effectively implemented, and the issue of pre-approval requirements is resolved. MSCI does not rule out a potential off-cycle announcement should significant positive developments occur ahead of June 2017.

Argentina

MSCI is adding the MSCI Argentina Index to the review list for a potential reclassification to Emerging Markets status as part of the 2017 Annual Market Classification Review.

In December 2015, the Argentinian Central Bank abolished foreign exchange restrictions and significantly relaxed the capital controls that have been in place for a number of years. These changes have resulted in, among other things: (1) a floating currency, (2) the elimination of cash reserves and monthly repatriation limits on the equity market and (3) a significant reduction in the capital lock-up period for investments. Consequently, the Argentinian equity market meets most of the accessibility criteria for Emerging Markets.

Nigeria

MSCI announced that it is launching a consultation on a potential reclassification of the MSCI Nigeria Index to stand-alone market status.

The Central Bank of Nigeria pegged the local currency to the US dollar in early 2015, resulting in a sharp decline in liquidity on the foreign exchange market. Hence, the ability of international institutional investors to repatriate capital has been significantly impaired to a point where the investability of the Nigerian equity market is being questioned.

Due to the urgent nature of this investability issue in the MSCI Nigeria Index, MSCI will announce its decision on the proposal to remove the MSCI Nigeria Index from the MSCI Frontier Markets Index by the end of September 2016. The potential implementation of this proposal would coincide with the November 2016 Semi-Annual Index Review.

- 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 97 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit us at www.msci.com.

Media Inquiries

New York	Kristin Meza	+ 1 212 804 5330	pr@msci.com
London	Nick Denton	+ 44 20 3128 8754	msci@mhpc.com
	Christian Pickel	+ 44 20 3128 8208	msci@mhpc.com
Hong Kong	James Jarman	+ 852 3768 4545	ftimsci@fticonsulting.com
	Peony Lui	+ 852 3768 4740	ftimsci@fticonsulting.com
China	Pui-shan Lee	+ 86 21 2315 1068	ftimsci@fticonsulting.com

MSCI Global Client Service

Americas	+ 1 888 588 4567 (toll free) +1 212 804 3901
Asia Pacific	+ 852 2844 9333
EMEA	+ 44 20 7618 2222

(collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or redisseminated 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 Inc. 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.

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.

MSCI ESG Research Inc. 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.