

# MSCI Completes Barra U.S. Total Market Equity Model Suite

## Medium-Term Model Rounds Out Next Generation Risk Models for U.S. Equity Markets

**New York – June 17, 2015** – [MSCI](#) Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, has [completed the roll-out of its range of next-generation equity risk models](#), with the release of the Barra U.S. Total Market Medium-Term Equity Model. The latest model joins MSCI's new [Barra U.S. Total Market Equity Model Suite](#), which was built to include factor structures that are aligned with multiple investment horizons, marking a new era for advancing the standard for measuring and managing risk.

Peter Zangari, Managing Director and Head of Analytics for MSCI, said, "With factor investing increasingly recognized as a demonstrable vehicle for delivering sustained alpha at low costs, the Barra U.S. Total Market Equity Model Suite allows investors to evaluate factor performance over long-term, medium-term and daily investment horizons."

This new suite of models includes Systematic Equity Strategies, which allow investment managers to better understand and monitor the sources of risk and return in equity portfolios while capturing volatility and correlation among stocks. Using models enhanced with Systematic Equity Strategies also enables institutional investors to better manage their exposures to crowded strategies and improves model performance across multiple use cases such as portfolio construction, risk monitoring, trading and hedging market risk.

The Barra U.S. Total Market Equity Model Suite targets three investment horizons: Long-Term, Medium-Term, and Trading. The Long-Term model incorporates the most stable set of style factors reflecting long-term strategies that aim to keep portfolio turnover and transaction costs at low levels while the Medium-Term and Trading models add additional style factors to improve model performance across shorter investment horizons.

This next generation model suite includes:

- New Barra factors with new sources of data content. Some of the new factors include Management Quality, Profitability, Earnings Quality, Prospect, Sentiment, and Regional Momentum.
- Significant enhancements to traditional Barra factors such as Liquidity, Value, Residual Volatility, Dividend Yield, and Earnings Yield.
- Latest estimation methodologies such as Implied Volatility Adjustment and Volatility Regime Adjustment for better prediction of volatility in rapidly changing market environments, Optimization Bias Adjustment for improved portfolio optimization, and Robust Specific Risk Model incorporating Bayesian Adjustments for greater forecast accuracy.
- Historical point-in-time fundamental data with daily updates.

-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 98 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

### New York

Kristin Meza, MSCI + 1 212 804 5330/kristin.meza@msci.com

### London

Paul Griffin, MSCI + 44 20 7618 2594/paul.griffin@msci.com

Nick Denton | Christian Pickel, MHP Communications + 44 20 3128 8754/8208

## 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

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