MSCI Delivers Latest Innovation with New Equity Analytics Offerings

New models, analytics and software define new standard for measuring and managing risk

New York – October 13, 2014 – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, announced today the launch of a new generation of models as well as new functionality for its widely used portfolio management and reporting applications. These products are used by leading financial professionals globally to help design, implement and report the risk and performance of their investment strategies.

Joining the expansive lineup of MSCI's market-leading Barra equity models, MSCI is launching **seven (7)** new models in Q4, including an enhanced suite of US models and a range of new Asia specific models. These new models have been enhanced to include Systematic Equity Strategies (SES) in addition to the standard Barra style factors found in every Barra model, marking a new era for advancing the standard for measuring and managing risk.

Systematic Equity Strategies, when represented as factors in risk models, allow investment managers to better understand and monitor the sources of risk and return in equity portfolios while capturing volatility and correlations among stocks consistent with their investment horizon. Institutional investors using models with Systematic Equity Strategies are also better able to measure their exposure to crowding.

Major enhancements to MSCI's software and applications include:

For Barra Portfolio Manager:

- Two major enhancements to Barra Portfolio Manager include **Custom Factor Attribution** which allows investment managers to customize and /or create new factor structures of risk models to match their own unique investment philosophy while maintaining the Barra risk model excellence; and the addition of **High Volume Reporting,** a new end-to-end reporting workflow using pre-generated or customized reports.

For Barra Open Optimizer:

- New functionality has been added to this powerful optimizer engine that drives Barra Aegis, BarraOne and Barra Portfolio Manager, but which can also be integrated into any portfolio construction workflow, including: **Constraint-aware Roundlotting** which ensures the portfolio rules are satisfied while creating round lots and includes threshold constraints; **Risk Parity Portfolio Construction** (also known as equal risk weighting); and **Transaction Cost Control** through fixed costs, thresholds and maximums on the number of names. With these latest enhancements, the Barra Open Optimizer moves beyond mean-variance optimization to support a range of advanced mandates and alternative portfolio construction techniques.

"MSCI is dedicated to helping investment professionals globally by delivering innovative, ground breaking research, models and software to help identify risk and potential sources of risk to improve returns," said Peter Zangari, Managing Director and Head of MSCI Portfolio Management Analytics. "As former investment professionals, we take a practitioner's perspective. 'MSCI' and 'Barra' have always been associated with innovation. This impressive line-up of new, enhanced models and software has been extremely well received by our clients. They appreciate both our responsiveness and commitment to helping them identify risk and achieve better performance in an ever changing market."

MSCI's research efforts are the foundation of its innovation agenda. Its team of over 150 experienced researchers delivers insightful and trailblazing investment research that helps MSCI clients understand and address investment challenges and uncover sources of potential risk that could impact their performance.

Recent white papers that address these latest innovations that can be found on the MSCI.com website include:

- Historic Drawdowns – A Review of Recent Mutual Fund Active Performance
- Market Spin Cycle – The Rotation Continues…
- Employing Systematic Equity Strategies

-Ends-

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 trillion estimated to be benchmarked to them on a worldwide basis[1]; 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 March 31, 2014, as reported on June 25, 2014, by eVestment, Lipper and Bloomberg*

For further information on MSCI, please visit our web site at www.msci.com

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