

MSCI Launches New Platform to Measure Liquidity Risk Across Asset Classes

LiquidityMetrics Sets Standard for Liquidity Analytics

New York – September 16, 2013 – [MSCI](#) Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, today announced the launch of [LiquidityMetrics](#), the first commercially available tool for measuring liquidity risk across asset classes, delivered through RiskMetrics [RiskManager](#).

“The 2008 financial crisis raised fundamental questions about liquidity risk,” according to Roveen Bhansali, Managing Director and Head of Risk Management Analytics for MSCI. “The launch of LiquidityMetrics comes at a time of increasing regulatory demand for risk controls that make credit more vulnerable to liquidity shocks and when the industry at large is calling for greater transparency and sophistication. This provides the first consistent set of metrics to assess liquidity across asset classes.”

Through its innovative methodology, LiquidityMetrics provides a robust description of asset liquidity and extends liquidity risk to incorporate the time, cost, and size dimensions. This translates into a single liquidity framework that can be used by clients across their organization to support their investment management, risk management and regulatory risk reporting requirements. LiquidityMetrics enables users to stress test the liquidity of a portfolio, measure market impact, transaction cost, liquidation horizon, amount available for liquidation and the liquidation value.

Continued Bhansali, “Liquidity measurement has long been neglected in risk management platforms. The profile of liquidity risk has steadily increased over the last several years and changed the long believed notion that it has a negligible effect on overall risk. Measuring true liquidity risk across asset classes has remained elusive because of the limitations of models and data scarcity. The LiquidityMetrics methodology enables users to measure liquidity risk on asset classes that otherwise would have been impossible to measure, providing a more comprehensive picture of risk.”

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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 indices, portfolio risk and performance analytics, and governance tools.

The company’s flagship product offerings are: the MSCI indices with approximately USD 7.5 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, indices and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS corporate governance research, data and outsourced proxy voting and reporting services; 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.

¹As of March 31, 2013, as reported on July 31, 2013 by eVestment, Lipper and Bloomberg

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

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