

# MSCI Launches New Asia and China Equity Analytics Models

## Enhanced equity models set new standard for measuring and managing risk

**New York – December 19, 2014** – [MSCI](#) Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, today announced two next generation Barra risk models aimed at helping firms who invest in China and greater-Asia markets better understand risk and performance.

The new Barra Asia Pacific Equity and Barra China International Equity models, which cover pan-Asian and China markets, respectively, have been significantly enhanced to include Systematic Equity Strategies (SES), marking a new era for advancing the standard for measuring and managing risk.

SES, 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 correlation among stocks consistent with their short, medium or long-term investment horizons. Using models enhanced with SES also enables investors to better manage their exposure to crowded factors.

Rene Veerman, Managing Director and Head of Equity Analytics for Asia Pacific at MSCI, said, "Today marks a new milestone in providing institutional investors investing in China and Asia a new level of insight into uncovering important new sources of risk and return."

Each model includes:

- The ability to adapt to rapid risk-on risk-off market movements with **Volatility Regime Adjustment**
- Improved portfolio optimization with **Optimization Bias Adjustment**
- **Robust Specific Risk Model** incorporating Bayesian Adjustments for greater forecast accuracy
- **New Daily-horizon model** to track very short term volatility. Long and Short versions are also available.
- **Daily updates**

Peter Zangari, Managing Director and Head of MSCI's Portfolio Management Analytics, said, "For over 30 years MSCI's Barra models have helped investors uncover risk in their portfolios through research-based innovation. The rollout of these new enhanced models is another example of our continued investment in innovation and our commitment to helping investment professionals by delivering ground-breaking research, models and software to help identify risk and sources of return."

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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 indexes, portfolio risk and performance analytics, and ESG data and research.

The company's flagship product offerings are: the MSCI indexes with over USD 9.5 trillion estimated to be benchmarked to them on a worldwide basis<sup>1</sup>; 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.

<sup>1</sup> As of June 30, 2014, as reported on September 30 2014 by eVestment, Morningstar and Bloomberg

<sup>1</sup> As of January, 2013, Institutional Investor, The Hedge Fund 100

For further information on MSCI, please visit our web site at [www.msci.com](http://www.msci.com)

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