

## Consultation: Reclassification of MSCI Ukraine Index

### MSCI to Consult on a Proposed Market Reclassification for the MSCI Ukraine Index

**Geneva – April 21, 2015** – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the launch of a consultation with the investment community on a proposal to exclude the MSCI Ukraine Index from the MSCI Frontier Markets Index and to reclassify the MSCI Ukraine Index to Standalone Market status coinciding with the August 2015 Quarterly Index Review.

The launch of this consultation follows the introduction by the National Bank of Ukraine of restrictions on capital flows which may impact international institutional investors. On March 3, 2015, the National Bank of Ukraine issued a resolution prohibiting foreign investors from repatriating funds received from the sale of equity securities issued by Ukrainian entities and from dividends. The resolution has been effective since March 4, 2015.

As per the MSCI Market Classification Framework, a market needs to exhibit at least partial ease of capital inflows and outflows in order to be classified as a Frontier Market. Therefore, the introduction of capital controls which may lead to a material deterioration of the equity market accessibility, may lead to the exclusion of a market from the MSCI Frontier Markets Index and a reclassification proposal of such market to Standalone Market status.

In the context of this consultation, MSCI will not implement any changes such as migrations between size-segments, additions of the newly eligible securities, including sizable IPOs, potential Foreign Inclusion Factor (FIF) and Number of Shares updates as well as GICS changes in the MSCI Ukraine Indexes as part of the May 2015 Semi-Annual Index Review. MSCI will implement only deletions from the MSCI Ukraine Indexes caused by either low foreign room, low liquidity or prolonged suspension.

In addition, MSCI will defer the implementation of corporate events not requiring a Price Adjustment Factor (PAF), such as placements, block sales, recapitalizations, sizable IPOs and will exceptionally freeze potential migrations due to corporate events until further notice for the MSCI Ukraine Indexes. By contrast, MSCI will continue implementing corporate events requiring PAFs, such as stock splits and consolidations, as well as deletions resulting from delistings, bankruptcies and merger and acquisitions at the time of the event. Sizable corporate events requiring PAFs which are likely to cause potential reverse turnover would be reviewed on a case by case basis. The treatment of such specific corporate events would be announced to all clients with sufficient advance notice through regular Index email announcements.

MSCI welcomes feedback from the investment community on the proposal and will announce the results of the consultation on or before May 29, 2015.

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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).

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