

New Research from MSCI on Risk Premia Strategy Indices

Analyzes the role of risk premia indices in asset allocation

London – September 8, 2011 – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, has released **“Harvesting Risk Premia with Strategy Indices”**, an extensive study on the role of equity risk premia as drivers of long-term portfolio performance. The paper provides a rigorous analytical framework for understanding the growing array of investment strategy indices - sometimes referred to as alternatively weighted indices - and opens up fresh lines of inquiry into their potential investment applications. The company also announced that it has expanded its range of MSCI Risk Premia Indices to now cover the MSCI ACWI IMI universe.

“Harvesting Risk Premia with Strategy Indices” is based on a comprehensive and systematic examination of the characteristics of various risk premia strategy indices - such as value weighted, risk weighted, equal weighted and minimum volatility - from a uniquely long-term global perspective using over 20 years of data. The paper also elaborates on how these risk premia strategy indices can be combined for potential diversification benefits at the portfolio level.

“While systematic risk premia may account for a substantial part of long-term portfolio performance, the current institutional asset allocation process still tends to pay much more attention to the selection of active managers than to the selection and combination of risk premia exposures,” said Remy Briand, Managing Director and Head of MSCI Index Research. “We believe that institutional asset allocation may be on the verge of a shift from diversifying across managers in multiple alpha mandates towards diversifying across risk premia in multiple index mandates.”

“Many long-term investors have requested just this kind of in-depth research given the recent proliferation of alternatively weighted indices,” said Theodore Niggli, Managing Director and Head of the MSCI Index Business Unit. “We conclude that indices seeking to capture well understood risk premia have a legitimate role in the asset allocation process; we therefore plan to extend the number of strategy indices we offer clients for use as the basis of passive products.”

MSCI also announced that it has expanded its broad suite of MSCI Risk Premia Indices with the following new indices:

MSCI Risk Weighted Indices

MSCI ACWI IMI Risk Weighted Index
MSCI Emerging Markets IMI Risk Weighted Index
MSCI World IMI Risk Weighted Index
MSCI Emerging Markets Asia Risk Weighted Index
MSCI Emerging Markets EMEA Risk Weighted Index
MSCI Emerging Markets Latin America Risk Weighted Index
MSCI Pacific Risk Weighted Index
MSCI World ex US Risk Weighted Index

MSCI Value Weighted Indices

MSCI ACWI IMI Value Weighted Index
MSCI Emerging Markets IMI Value Weighted Index
MSCI World IMI Value Weighted Index

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

The company's flagship product offerings are: the MSCI indices which include over 148,000 daily indices covering more than 70 countries; Barra portfolio risk and performance analytics covering global equity and fixed income markets; RiskMetrics market and credit risk analytics; ISS governance research and outsourced proxy voting and reporting services; FEA valuation models and risk management software for the energy and commodities markets; and CFRA forensic accounting risk research, legal/regulatory risk assessment, and due-diligence. MSCI is headquartered in New York, with research and commercial offices around the world.

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