

# CONCLUSIONS OF THE CONSULTATION ON THE POTENTIAL MARKET RECLASSIFICATION FOR THE MSCI PERU INDEX

**New York – September 30, 2015** – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today its decision to formally add the MSCI Peru Index to the review list for potential reclassification to Frontier Markets as part of the 2016 Annual Market Classification Review, while at present retaining the MSCI Peru Index as part of Emerging Markets. In addition, MSCI will also continue consulting on the current exceptional classification treatment of Southern Copper in the MSCI Peru Equity Universe.

The current number of securities in the MSCI Peru Equity Investable Universe remains at three, which is the minimum with respect to the eligibility for Emerging Markets. Any decrease in the number of investable securities will result in reclassification of the MSCI Peru Index to Frontier Markets at any point in time. While there is a positive momentum in terms of the efforts of Peruvian authorities and the Bolsa de Valores de Lima to enhance the liquidity in the Peruvian equity market through a number of initiatives, such as the adoption of an exemption to the capital gains tax and enhancements in the equity trading infrastructure, many of these initiatives may only start to have a measureable impact in the first half of 2016 while others are yet to be implemented. Hence, MSCI will actively monitor the developments on the Peruvian equity market over the coming months and reassess the market classification of the MSCI Peru Index as part of the 2016 Annual Market Classification Review. Failure by the Peruvian authorities and the stock exchange to reverse the declining trend in liquidity in the equity market, which has resulted in reduction of the investment opportunity set for international investors, may lead to MSCI’s decision to reclassify the MSCI Peru Index to Frontier Markets in June 2016.

The consultation discussions on the current exceptional security classification treatment of Southern Copper revealed two diverging views from market participants. A large number of international institutional investors favor the strict application of the MSCI Country Classification of Securities methodology that would lead to the reclassification of Southern Copper to the MSCI USA Equity Universe. However, a significant number of investors also argued for the maintenance of this exception and the classification of Southern Copper in the MSCI Peru Equity Universe. Hence, MSCI will continue to consult on the country classification of Southern Copper and announce its decision as part of the May 2016 Semi-Annual Index Review. If reclassification of Southern Copper results in less than three securities in the MSCI Peru Equity Investable Universe, MSCI would reclassify the MSCI Peru Index to Frontier Markets as soon as practicable.

MSCI will provide sufficient lead time prior to implementation of any of the above changes.

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Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

For more information, visit us at [www.msci.com](http://www.msci.com).

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