

MSCI Reports Record Surge in Demand from ETF Providers for Factor Indexes in 2014

- 45% of new MSCI index-based ETFs related to factor indexes in 2014
- Seven-fold increase in ETFs benchmarked to MSCI Factor Indexes

New York – January 26, 2015 – [MSCI](#) Inc. (NYSE: MSCI), a leading index provider to the ETF industry worldwide, is reporting a surge in demand from ETF providers for its factor indexes, with almost half of new MSCI index-based ETFs launched in 2014 linked to MSCI Factor Indexes¹.

Overall, 95 ETFs based on MSCI indexes were launched in 2014¹, almost twice as many as the next index provider, with 42 (45 percent) of these linked to Factor Indexes, compared to six in 2013. 12 new ETFs tracking MSCI Multi-Factor Indexes, which combine more than one factor, were launched in 2014.

“2014 was a year of strong growth in the number of ETFs based on our indexes, in particular our factor indexes,” said Baer Pettit, Managing Director and Global Head of MSCI’s Index Business. “These numbers are evidence that our innovative index offering, combined with the strength of our brand, continue to make MSCI indexes the first choice of ETF providers around the world.”

Certain factors have historically earned a long-term risk premium and represent exposure to systematic sources of risk and return. Factor investing is the investment process that aims to harvest these risk premia through exposure to factors. MSCI currently calculates indexes on six key equity risk premia factors: Value, Low Size, Low Volatility, High Yield, Quality and Momentum.

With over 675 ETFs² tracking MSCI indexes globally, more ETFs track MSCI’s indexes than those of any other index provider.

MSCI was named Best Index Provider for ETF Products 2014 at the ETF Risk European Rankings and was named Index Provider of the Year 2014 in three separate awards: the Financial News Asset Management Awards, the Global Capital Derivatives Awards and the European Pensions Awards 2014.

¹ Source: Bloomberg and MSCI data, as of December 31 2014

² Data as of December 31 2014, calculated by aggregating the number of share classes of all exchange traded funds tracking an MSCI index, as identified by separate Bloomberg tickers. Only primary listings, and not cross-listings, are counted

-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 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 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, 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.

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

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

Media Enquiries:

Kristin Meza, MSCI, New York	+ 1.646.732.5330
Paul Griffin, MSCI, London	+ 44.20.7618.2594
Nick Denton Christian Pickel, MHP Communications, London	+ 44.20.3128.8754/8208

MSCI Global Client Service:

EMEA Client Service	+ 44.20.7618.2222
Americas Client Service	1.888.588.4567 (toll free)/+ 1.212.804.3901
Asia Pacific Client Service	+ 852.2844.9333

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