

# New MSCI Risk Control Indices Added to MSCI Risk Premia Indices Family

## New Indices Target Specific Levels of Risk

**London – April 18, 2012** – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, announced today the launch of the MSCI Risk Control Indices, adding another set of strategy indices to the MSCI Risk Premia Indices family.

Traditional market cap weighted indices reflect the performance of equity markets with varying levels of volatility. The MSCI Risk Control Indices, however, aim to replicate the performance of a strategy that targets a specific level of risk by dynamically varying the weights of an underlying MSCI parent index, based on the realized volatility of the index, and a cash component.

“The various market downturns that have occurred over the past few years have prompted many of our clients to mitigate the tail risk of their equity investments,” said Theodore Niggli, Managing Director at MSCI. “We believe that the MSCI Risk Control Indices are a useful tool for institutional investors looking for exposure to equity beta with a managed volatility and potentially lower tail risk.”

When the volatility of the underlying MSCI parent index is higher than the specific targeted risk level, the weight of the MSCI parent index in the MSCI Risk Control Index is reduced to less than 100% and the rest is weighted to cash. When the volatility of the underlying MSCI parent index is lower than the specific targeted risk level, the weight of the MSCI parent index in the MSCI Risk Control Index is increased to more than 100% using leverage to achieve the specific targeted risk level.

At launch MSCI Risk Control Indices will be calculated for seven regions/countries: World, EAFE, Europe, Emerging Markets, EM50, Kokusai (World ex Japan) and the USA. Each risk control index will be provided in 3 currencies and with 4 target volatilities: 10%, 12.5%, 15% and 17.5%. The indices can also be customized to reflect client-specific requirements.

The MSCI Risk Control Indices can be used as benchmarks for managed volatility strategies, or as a basis for financial products such as exchange traded funds and structured products.

For more information on the MSCI Risk Control Indices, including the index methodology, visit our [website](#).

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

The company's flagship product offerings are: the MSCI indices with approximately USD 7 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; MSCI ESG (environmental, social and governance) Research screening, analysis

and ratings; 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.

<sup>1</sup>As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.

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

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