

REAL ESTATE INDEX ANNOUNCEMENT

MSCI TO CONSULT ON EU BENCHMARK REGULATION IN RELATION TO THE MSCI ASSET-BASED AND FUND-BASED REAL ESTATE INDEXES

London, April 18, 2018: MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today that it will be consulting on its **proposal not to seek authorization in the EU as a benchmark administrator for the MSCI asset-based and fund-based real estate indexes at this time, and to restrict usage of these indexes and benchmarks to non-regulated uses.**

MSCI is consulting on this proposal to better inform its ultimate decision. As the EU benchmark regulation (“BMR”) may affect data providers and index users differently and, depending on the interpretation of “input data”, the interests of these two groups may not be fully aligned, MSCI is seeking feedback from the real estate investment community on the following assumptions:

Data provision: MSCI real estate indexes have brought transparency to the private commercial real estate industry for over 30 years, relying on data provided voluntarily by the real estate investment community. Uncertainty in the community around the definitions of “readily available” data versus “contributions of input data” leads to ambiguity about who may be considered a “supervised contributor” with regulatory obligations under the BMR. MSCI is concerned that this may lead to a loss of some data providers and thereby to a loss of market representativeness in some MSCI real estate indexes.

Index use under the BMR: As applied to the direct real estate investment process, there may be a lack of clarity in the investment community regarding the extent to which uses of an index fall within the scope of the BMR. Based on its current understanding, MSCI believes there are few cases where MSCI real estate indexes would be used for BMR purposes.

A document describing MSCI’s proposal and considerations is available on the [MSCI website](#). MSCI welcomes feedback from the real estate investment community on this consultation on or before May 18, 2018. Market participants can contact client service if they wish to discuss this consultation directly with MSCI or [email their comments](#).

MSCI will announce its decision on this topic on or before June 6, 2018 to give market participants enough time to make any adjustments, if necessary, once its final decision is made.

This consultation may or may not lead to the implementation of the proposal. Consultation feedback will remain confidential. MSCI may publicly disclose the feedback of a participant if so requested by the participant. In that case, the relevant feedback would be published at the same time as the final results of the consultation.

Note that this proposal and consultation is only with respect to MSCI asset-based and fund-based real estate indexes, for which Investment Property Databank Limited is the benchmark administrator. MSCI equity indexes, for which MSCI Limited is the benchmark administrator, are already regulated in the EU by the UK FCA.

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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 99 of the top 100 largest money managers, according to the most recent P&I ranking.

For more information, visit us at www.msci.com.

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Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.’s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.’s company filings on the Investor Relations section of www.msci.com.

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