As MSCI and S&P have recently announced, several industries and sub-industries within the GICS® framework have been reclassified.
This reclassification was part of the annual review which is intended to ensure that the GICS® structure continues to represent the global equity markets and enables investors to make consistent global comparisons by industry. Before changes were finalised there was a consultation process with market participants to collect their views and feedback.
Let’s look at these changes in turn.

The retail landscape has evolved over the years, as more retailers are moving away from pure physical or pure digital channels, to embracing a multitude of channels to reach their clients. To reflect this, the Internet & Direct Marketing Retail industry and sub-industry were discontinued. Department stores and general merchandise stores merge to form a new sub-industry called Broadline Retail. Additionally, consumable merchandise sellers have moved from the Consumer Discretionary sector to the Consumer Staples sector.

Several support services sub-industries have been reclassified so they are better aligned with the business activities they support.
The Data Processing & Outsourced Services sub-industry was relocated from the Information Technology Sector to the Industrials sector under the Professional Services Industry.
A new Transaction and Payment Processing Services sub-industry was created in the Financials sector.
Payroll Processing companies moved from the Information Technology Sector to the Industrials sector under Human Resources & Employment services. Companies that offer travel-related data processing services shifted from the Information Technology sector to the Consumer Discretionary Sector.

Companies structured as REITs generally focus on distinct property types and only a small percentage of these companies invest in diverse property types.
To provide that added granularity, one industry group for Equity REITs was created, along with eight industries for REITs. Residential REITs was divided into two sub-industries, specialized REITs into five subindustries, and a new Real Estate Management & Development industry and industry group were created.

Previously, the Trucking Sub-Industry included a mix of companies providing cargo/goods and passenger ground transportation services. To better reflect the distinction of these two areas, the Trucking sub-industry were split into two sub-industries to be called Passenger Ground Transportation and Cargo Ground Transportation.
On a similar note, the Airlines industry and sub-industry were renamed Passenger Airlines.

Finally, we have also seen changes in the banking landscape linked to the geographic footprints of those businesses, the laws governing them, and the variety of services being offered.
To reflect this, for banks and thrifts & mortgage finance, the thrifts & mortgage finance industry and sub-industry were merged with the regional banks sub-industry.

About MSCI
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