



# Equity Factor Models

Build more resilient portfolios

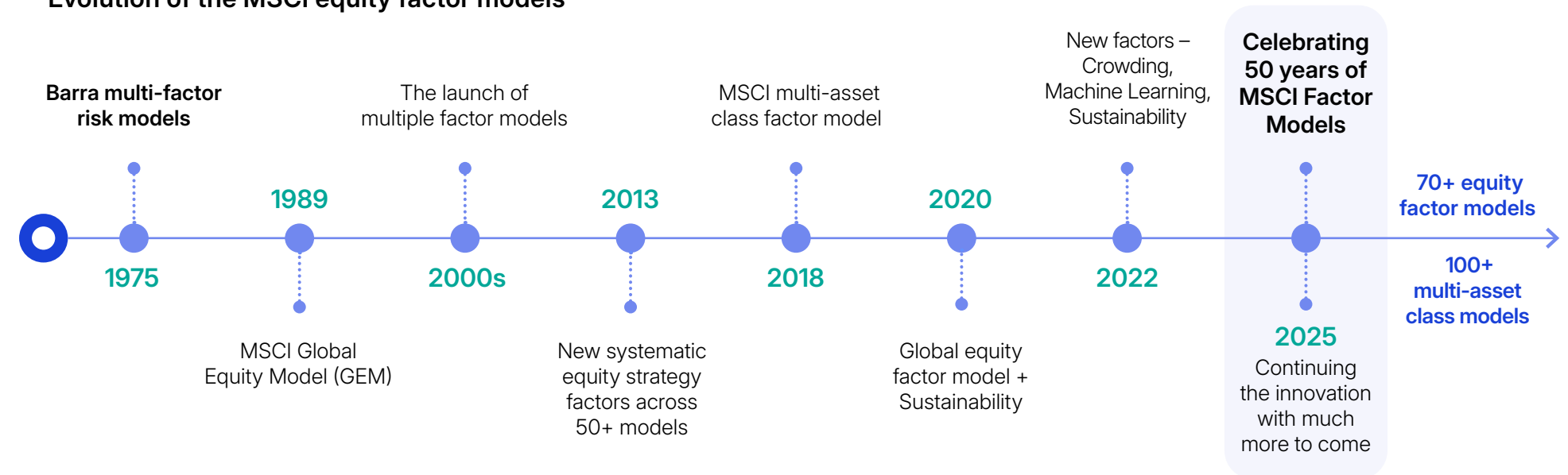


Today's investment landscape requires more adaptive, resilient portfolios built to navigate persistent market volatility, rapid regime shifts and ongoing uncertainty. It is critical for investors to understand the investment characteristics driving portfolio risk and performance to manage uncertainty and make more informed decisions.

## Factor models designed for today's markets

Powered by over 50 years of innovation, MSCI's equity factor models combine the Barra legacy with new factors, smarter modeling and efficient delivery.

### Evolution of the MSCI equity factor models





Our models are built to help portfolio managers:



Construct more resilient strategies.



Manage risk across changing regimes.



Express modern investment views with more precision.



Make more informed investment decisions.

Designed to keep pace with volatile markets and evolving investor priorities, the models include factors such as crowding, machine learning and sustainability. They also include advanced modeling techniques, enhanced risk-forecasting capabilities and cloud-enabled delivery for faster, easier access.



# Get clarity on what drives your portfolio

**Our equity factor models support portfolio managers across the investment process** — from idea generation to performance evaluation — using consistent, transparent and research-backed factor frameworks.

Combining leading academic and practitioner research, our models represent the forefront of measuring factor exposure, managing risk and attributing performance through a factor lens, helping investors:

**Better understand risk and return drivers**

**Understand exposures** — Gain insight into portfolio exposures across style, sector, macro and emerging factors.

**Assess crowding risk** — Measure inflated pricing or excessive investments with stocks and portfolios to help manage downside risk or spot opportunities.

**Get enhanced insights** — Identify non-linear relationships between factor exposures and returns with machine learning factor.

**Integrate sustainability** — Evaluate sustainability exposures and their contribution to portfolio risk and performance.

**Build more adaptive, resilient portfolios**

**Align with decarbonization goals** — Measure carbon intensity to align with your net-zero commitments.

**Manage through cycles** — Access models including adaptive covariance matrix that are designed to help portfolios weather regime shifts.

**Assess cluster risk** — Identify highly similar clusters, or peer groups, of stocks that could lead to “cluster risk” in your portfolio.

**Identify opportunities** — Incorporate pre-merger SPAC (Special Purpose Acquisition Companies) analysis to help identify additional sources of return.

**Flexible access, efficient integration**

Our models are designed to integrate easily with your technology and preference, lowering the barriers to access our content in a more efficient and scalable way.

**Our clients can access our models via:**

- Barra Portfolio Manager
- BarraOne
- Models Direct flat files
- Third-party suppliers
- Snowflake distribution





# Contact us

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# About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit [www.msci.com](https://www.msci.com).

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