

MSCI Global Economic Regions Equity Factor Models

The next generation of MSCI Global Economic Regions Equity Factor Models builds on a half-century of experience constructing equity indexes and risk models for investors. Deep research, comprehensive data and computational power convene to solve modern investing's most pressing challenges. The new models are designed to help investors better understand the drivers of portfolio risk and return, make more informed investment decisions, and build more resilient and adaptive portfolios.



New investment insights

- Point-in-time fundamental data to facilitate more realistic back tests
- Adaptive factor covariance to help your portfolios weather changing market regimes over multiple cycles
- Stock crowding factor to assess the 'bubblieness' or level of crowding of stocks and portfolios
- Machine learning factor to understand and capture non-linear relationships between factor exposures and returns
- Peer similarity score to identify clusters of highly similar companies that may lead to "cluster risk" in your portfolio
- Sustainability factor to measure the exposures of your portfolio to sustainability and understand its contribution to portfolio risk and return
- Carbon efficiency factor to understand the carbon intensity of your portfolio to meet your decarbonization or net zero commitments
- Enhancements to existing factors including Momentum and Residual Volatility to improve handling of IPOs, Growth and Short interest to improve robustness and performance.

A factor structure aligned to multiple investment horizons

Designed for	Long-Term Models	Trading Models
	<ul style="list-style-type: none"> • Active and passive asset managers • Asset owners • Sell side - Banks and Market makers • Buy Side - Hedge Funds • Fundamental and quantitative managers 	<ul style="list-style-type: none"> • Equity hedge fund managers • Quantitative asset managers • Algorithmic traders • Sell-side traders • Risk managers
Focus	<ul style="list-style-type: none"> • Designed with a focus on portfolio construction • Decompose complex portfolios into intuitive risk factors; provides managers, investors and regulators a clearer understanding of risk exposures and risk-adjusted performance • Available in Stable and Responsive variants 	<ul style="list-style-type: none"> • Most responsive model in the family with a daily forecast horizon, enabling you to swiftly adapt to market disruptions • Designed for analyzing risk in short term portfolios • Constructed for short-term trading, hedging, and daily risk monitoring

Global Economic Regions equity content - What does it cover?

Coverage	85+ countries	91,000+ securities	125 industry factors based on GICS® Developed Markets ex-US (45 industries), US (57 industries) and Emerging Markets (23 industries)®			
Asset Classes	Depository receipts Cross-listed securities Stocks Equity index futures ETFs SPACs					
Factors	VOLATILITY	YIELD	QUALITY	MOMENTUM	VALUE	SIZE
	SENTIMENT	MACRO	GROWTH	LIQUIDITY	NONLINEARITY	SUSTAINABILITY



Model distribution and access

Access MSCI's models on cloud via Snowflake, through MSCI applications including BarraOne, Barra PortfolioManager, through direct data delivery (Models Direct), or through third-party vendor platforms.

About MSCI

MSCI (NYSE: MSCI Inc.) strengthens global markets by connecting participants across the financial ecosystem with a common language. Our research-based data, analytics and indexes, supported by advanced technology, set standards for global investors and help our clients understand risks and opportunities so they can make better decisions and unlock innovation. We serve asset managers and owners, private-market sponsors and investors, hedge funds, wealth managers, banks, insurers and corporates.

To learn more, please visit www.msci.com.

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