Aegis/Models Direct Euro Contingency Plan

July 11, 2012

MSCI has given careful consideration to the possibility that one or more countries may exit the eurozone in the near future. We envision a number of potential scenarios for how these events may unfold that range from an orderly and well-planned exit, coinciding with the introduction of a new currency, to a disorderly exit, resulting in major market disruptions. We have created a contingency plan that can be adapted to the effect of a major market disruption on Barra risk models and the products on which our clients rely, but this communication focuses on the possible exit of a single country from the eurozone.

Our contingency plan is based on the following goals:

- Communication with our clients on a timely basis: As soon as there is an official announcement that any country will exit the eurozone, MSCI will publish client communications containing a proposed timeline for our response, details about our immediate actions, and a document addressing frequently asked questions.
- Business continuity: Barra risk models will continue to process all non-affected assets and market data (i.e., assets and data unrelated to the new currency) without any interruption.
- Coverage: Barra risk models will provide coverage for the affected assets as soon as it is reasonable to do so.
- Scalability: Our contingency plan and timelines account for any countries that exit the eurozone, even if the eurozone collapses completely and each former member reverts to a domestic currency.

While there is considerable uncertainty surrounding the manner of any exit and its effect on the euro, all scenarios involve two well-defined changes:

1. A new currency will be introduced.
2. Existing equity assets will be redenominated in a new currency.
3. In addition, for BIMf Models Direct, sovereign and/or corporate bonds will be redenominated in a new currency, and this may require updates to non-currency terms and conditions.

To prepare for all of these changes, we have proactively initiated the following procedures:

1. Establish strong communication channels with all MSCI vendors – We have weekly meetings with many of our vendors to synchronize any data changes.
2. Identify the cue for action – The cue is when the respective stock exchange issues an effective date from which securities will be quoted in the new currency. (For BIMf Models Direct, the cue for bonds will be an official communication by government sources.)
3. Define the implementation plan – The set of steps that need to be taken in each of the scenarios has been defined, including the asset treatment in Barra risk models, and the data delivery and asset coverage in Aegis and Models Direct.

Implementation timeline:

Timeline	Short-term (less than two weeks)	Long-term (1 - 3 months)
Country exits the eurozone	**The new currency will be available in Models Direct files on the effective date of the change.** **In both Aegis and Models Direct, market data denominated in the new currency will be delivered as soon as it is available.** **Equity assets will continue to be exposed to the Greek currency factor, which may or not continue to be pegged to the euro.** **The asset terms and conditions reflecting the redenomination and any updates will be delivered to Barra fixed income models.**	**MSCI will monitor the market and evaluate the treatment of the redenominated assets in Barra risk models.**

The content of this document is based on information available on June 11, 2012 and subject to change due to potential future developments related to the event.

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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[1]; 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.

[1] *As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.*