

## **S&P DOW JONES INDICES AND MSCI ANNOUNCE THE CREATION OF A REAL ESTATE SECTOR IN THE GLOBAL INDUSTRY CLASSIFICATION STANDARD (GICS®) STRUCTURE**

**New York, November 10, 2014** - S&P Dow Jones Indices, a leading provider of financial market indices, and MSCI Inc., a leading provider of investment decision support tools worldwide, announced today that as a result of their annual review of the Global Industry Classification Standard (GICS®) structure, a new Real Estate Sector is being created, elevating its position from under the Financials Sector and bringing the number of GICS Sectors to 11. Additionally, a new Sub-Industry for Copper is being created. The changes are being considered for implementation after the market close (ET) on August 31, 2016.

“Feedback from the annual GICS structural review confirmed that Real Estate is now viewed as a distinct asset class and is increasingly being incorporated separately into the strategic asset allocation of asset owners,” said Remy Briand, Managing Director and Global Head Equity Research at MSCI. “Investors told us that there are significant differences between public Real Estate and Financial companies and therefore Real Estate deserves a dedicated GICS Sector. Today’s announcement ensures that GICS continues to be the most accurate, complete and standard industry analysis framework for investment research, portfolio management and asset allocation.”

According to David Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, “Real estate is an important and growing part of major economies throughout the world. To reflect this and support good financial analysis, GICS is introducing an eleventh sector for Real Estate and redefining financials to exclude Real Estate. This is an example of our ongoing effort to ensure that GICS is reflective of today’s markets.”

The annual review is intended to ensure that the GICS structure continues to appropriately represent the global equity markets and, thereby, enables asset owners, asset managers and investment research specialists to make consistent global comparisons by industry. The GICS revision is the result of a consultation with members of the global investment community.

S&P Dow Jones Indices and MSCI are proposing to implement the changes to the GICS structure after the market close (ET) on Wednesday, August 31, 2016, but are requesting feedback from market participants on this proposed implementation date by February 13, 2015. The final decision on the date of implementation will be announced by March 13, 2015. The list of securities affected by these changes will be announced at a later date closer to the implementation, but with plenty of advance notice.

The changes to the GICS structure in 2016 are summarized below.

### Real Estate Sector

Real Estate is being moved out from under the Financials Sector and being promoted to its own Sector under the code 60. The Real Estate Investment Trusts Industry is being renamed to Equity Real Estate

Investment Trusts (REITs), and excludes Mortgage REITs. Mortgage REITs remain in the Financials Sector under a newly created Industry and Sub-Industry called Mortgage REITs.

### Copper

A Copper Sub-Industry is being created in the Metals & Mining Industry. This change will be implemented along with the creation of the Real Estate Sector in 2016.

The proposals relating to the Telecommunication Services Sector and the Luxury Goods Sub-Industry are not resulting in any changes to the GICS structure at this time.

The new GICS structure, when implemented, will consist of 11 Sectors, 24 Industry Groups, 68 Industries and 157 Sub-Industries.

Further details with rationales for the revisions to the GICS structure are available on S&P Dow Jones Indices' website at [www.spdji.com](http://www.spdji.com) or MSCI's website at [www.msci.com](http://www.msci.com).

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**About MSCI**

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indexes, portfolio risk and performance analytics, and ESG data and research.

The company's flagship product offerings are: the MSCI indexes with over USD 9.5 trillion estimated to be benchmarked to them on a worldwide basis<sup>1</sup>; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indexes and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

<sup>1</sup> As of June 30, 2014, as reported on September 30 2014 by eVestment, Morningstar and Bloomberg

**For further information on MSCI, please visit our web site at [www.msci.com](http://www.msci.com)**

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