

# MSCI Indices Q2 2012 Performance Results

## Volatile Global Markets Generate Losses

- *Global markets produced almost universally negative returns, eroding the semblance of recovery glimpsed in Q1 2012*
- *Only a handful of individual Emerging and Frontier Markets countries posted modest positive returns*
- *High volatility prevailed*

**London – July 6, 2012** – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indices, portfolio risk and performance analytics and corporate governance services, today published the Q2 2012 performance of its MSCI Global Equity Indices, revealing widespread negative returns across global markets. These results significantly pared back the positive gains of Q1 2012; however, year-to-date (YTD) 2012 global market returns for the most part remained in modest positive territory.

Major financial markets worldwide showed negative returns across all size segments in Q2 2012. **MSCI ACWI IMI**, comprised of close to 9,000 large, mid and small cap securities across 24 Developed and 21 Emerging Markets countries, for example, delivered a negative return of -6.44% for the quarter, resulting in a YTD 2012 return of 4.37%<sup>1</sup>.

### Developed Markets

The MSCI Developed Markets Indices suffered a broad range of negative results in Q2 2012. The **MSCI World Index** lost a relatively mild -5.82% for the quarter, masking some of the very steep losses that were incurred among several developed markets countries and regions. Double digit losses prevailed in the EMU; the **MSCI Greece Index** was the worst performer, returning -30.83% in Q2, while the **MSCI Portugal** and **MSCI Finland Indices** were the second and third worst Q2 performers, with returns of -21.39 and -23.82%, respectively. The **MSCI Italy, MSCI Spain, MSCI Austria** and **MSCI Germany Indices** fared only slightly better, delivering Q2 losses in the -14.41% to -16.71% range. Among developed markets single country indices, the **MSCI Belgium, MSCI Denmark** and **MSCI USA Indices** were the top performers with returns of -1.75%, -3.32% and -3.55%, respectively. The **MSCI North America, MSCI World ex Europe** and **MSCI World ex EMU Indices** were the top performing developed markets regions, with Q2 returns of -3.96%, -4.59% and -4.88%, respectively.

### Emerging Markets

The MSCI Emerging Markets Indices posted a narrower range of negative returns relative to the developed markets. The **MSCI Emerging Markets Index** returned -10.00% for Q2, resulting in a small positive return of 2.29% for the first half of 2012. The **MSCI Brazil, MSCI Morocco** and **MSCI Russia Indices** posted Q2 returns of -19.96%, -17.44% and -16.90%, respectively, and stood as the three worst single country index performers. The **MSCI Philippines Index** was the one emerging markets country

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<sup>1</sup> All Q2 and year-to-date 2012 index performance data is based on price index levels in USD for the periods 1 April – 29 June 2012 and 1 January – 29 June 2012, respectively.

index to produce positive results for the quarter, returning 3.31%. The **MSCI Turkey** and **MSCI Mexico Indices** were the second and third best performers with Q2 2012 returns of -1.33% and -1.85%, respectively.

### Frontier Markets

The MSCI Frontier Markets Indices produced the most widely dispersed results in Q2 2012. The **MSCI Frontier Markets Index** returned -8.31% over the quarter, while the **MSCI Frontier Markets Africa Index** was the single regional index to produce positive results over the period, with a return of 2.78%. The top three single country index performers (all within Africa) were the **MSCI Kenya**, **MSCI Nigeria** and **Bahrain Indices** which posted returns of 7.07%, 3.17% and 2.43%, respectively. The bottom performers were the **MSCI Bulgaria**, **MSCI Ukraine** and **MSCI Argentina Indices** with returns of -25.95%, -35.96% and -43.77%, respectively.

### MSCI Risk Premia Strategy Indices

In the face of the high volatility that roiled global equity markets, the **MSCI Minimum Volatility Indices** showed modest Q2 2012 outperformance relative to their traditional, market cap weighted parent indices.

Historical index levels for the full range of MSCI Global Equity Indices are available at [www.msci.com](http://www.msci.com).

### MSCI Global Equity Indices Performance Table: Q2 and YTD 2012

| Index  | Q2 2012<br>1 Apr 2012 – 29 Jun 2012 | YTD 2012<br>1 Jan 2012 – 29 June 2012 |
|--|-------------------------------------|---------------------------------------|
| <b>MSCI All Country (AC) Indices</b>             |                                     |                                       |
| MSCI ACWI Minimum Volatility Index <sup>2</sup>  | -0.21%                              | 4.67%                                 |
| MSCI ACWI  | -6.36%                              | 4.21%                                 |
| MSCI ACWI Investable Market Index (IMI)          | -6.44%                              | 4.37%                                 |
| MSCI ACWI Small Cap Index                        | -7.05%                              | 5.42%                                 |
| <b>MSCI Developed Markets (DM) Indices</b>       |                                     |                                       |
| MSCI USA Minimum Volatility Index <sup>2</sup>   | 1.93%                               | 7.68%                                 |
| MSCI World Minimum Volatility Index <sup>2</sup> | -0.37%                              | 3.62%                                 |
| MSCI Belgium Index                               | -1.75%                              | 16.81%                                |
| MSCI Denmark Index                               | -3.32%                              | 12.89%                                |
| MSCI USA Index                                   | -3.55%                              | 8.25%                                 |
| MSCI North America Index                         | -3.96%                              | 7.24%                                 |
| MSCI USA Small Cap                               | -4.43%                              | 8.15%                                 |
| MSCI World ex Europe Index                       | -4.59%                              | 6.23%                                 |
| MSCI World ex EMU Index                          | -4.88%                              | 5.38%                                 |
| MSCI World Index                                 | -5.82%                              | 4.49%                                 |
| MSCI World Small Cap                             | -6.83%                              | 5.35%                                 |
| MSCI EAFE  | -8.37%                              | 0.77%                                 |
| MSCI Europe Index                                | -9.11%                              | -0.12%                                |
| MSCI Europe Small Cap Index                      | -10.70%                             | 5.63%                                 |

|   |         |         |
|---|---------|---------|
| MSCI EMU Index  | -12.80% | -2.16%  |
| MSCI Italy Index  | -14.41% | -6.80%  |
| MSCI Germany Index  | -14.61% | 2.91%   |
| MSCI Spain Index  | -15.01% | -18.65% |
| MSCI Austria Index  | -16.71% | -2.99%  |
| MSCI Portugal Index   | -21.39% | -20.10% |
| MSCI Finland Index  | -23.82% | -11.81% |
| MSCI Greece Index   | -30.83% | -21.47% |
| <b>MSCI Emerging Markets (EM) Indices</b>                   |         |         |
| MSCI Philippines Index                                      | 3.31%   | 24.14%  |
| MSCI Turkey Index   | -1.33%  | 25.40%  |
| MSCI Mexico Index   | -1.85%  | 13.25%  |
| MSCI Emerging Markets Minimum Volatility Index <sup>2</sup> | -4.58%  | 7.57%   |
| MSCI China Index  | -7.74%  | 1.40%   |
| MSCI Emerging Markets Small Cap Index                       | -8.78%  | 6.05%   |
| MSCI Emerging Markets Index                                 | -10.00% | 2.29%   |
| MSCI EM Europe Index  | -13.05% | 3.73%   |
| MSCI BRIC Index   | -13.48% | -1.79%  |
| MSCI EM Latin America                                       | -14.27% | -2.24%  |
| MSCI EM Eastern Europe                                      | -15.03% | 0.38%   |
| MSCI Russia Index   | -16.90% | -1.49%  |
| MSCI Morocco Index  | -17.44% | -14.11% |
| MSCI Brazil Index   | -19.96% | -9.52%  |
| <b>MSCI Frontier Markets Indices</b>                        |         |         |
| MSCI Kenya Index  | 7.07%   | 28.47%  |
| MSCI Nigeria Index  | 3.17%   | 6.11%   |
| MSCI Frontier Markets Africa                                | 2.78%   | 7.73%   |
| MSCI Bahrain Index  | 2.43%   | 3.76%   |
| MSCI Vietnam Index  | 0.39%   | 23.59%  |
| MSCI Frontier Markets Small Cap Index                       | -7.84%  | -3.00   |
| MSCI Frontier Markets                                       | -8.31%  | -4.68%  |
| MSCI Serbia Index   | -23.81% | -16.51% |
| MSCI Bulgaria Index   | -25.95% | -30.87% |
| MSCI Ukraine Index  | -35.96% | -40.72% |
| MSCI Argentina Index  | -43.77% | -47.31% |

<sup>2</sup> Results based on optimization in USD

-Ends-

## 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 indices, portfolio risk and performance analytics, and governance tools.

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<sup>1</sup>; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; 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.

<sup>1</sup> As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.

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

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