MSCI Inc.
Form 10-K
February 26, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

Commission file number 001-33812

MSCI INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**13-4038723**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

7 World Trade Center

250 Greenwich Street, 49th Floor

New York, New York 10007

(Address of Principal Executive Offices, zip code)

(212) 804-3900

(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES x NO ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ¨ NO x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES x NO ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller Reporting Company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

YES ¨ NO x

The aggregate market value of Common Stock held by non-affiliates of the registrant as of the last business day of the registrant s most recently completed second fiscal quarter (based on the closing price of these securities as reported by The New York Stock Exchange on June 30, 2015) was $6,693,433,307. Shares of Common Stock held by executive officers and directors of the registrant are not included in the computation. However, the registrant has made no determination that such individuals are affiliates within the meaning of Rule 405 under the Securities Act of 1933.

As of February 19, 2016, there were 98,786,211 shares of the registrant s Common Stock, par value $0.01 per share, outstanding.

Documents incorporated by reference: Portions of the registrant s proxy statement for its annual meeting of stockholders, to be held on April 28, 2016, are incorporated herein by reference into Part III of this Form 10-K.

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MSCI INC.

FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2015

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Except as the context otherwise indicates, the terms MSCI, the Company, we, our and us refer to MSCI Inc. together with its subsidiaries.

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FORWARD-LOOKING STATEMENTS

We have included in this Annual Report on Form 10-K and from time to time may make in our public filings, press releases or other public statements, certain statements that constitute forward-looking statements. In addition, our management may make forward-looking statements to analysts, investors, representatives of the media and others. These forward-looking statements are not historical facts and represent only MSCI s beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond our control.

In some cases you can identify these statements by forward-looking words such as may, might, should, anticipates, expects, intends, plans, seeks, estimates, potential, continue, believes and similar expressions, although some forward-looking statements are expressed differently. Statements concerning our financial position, business strategy and plans or objectives for future operations are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict and may cause actual results to differ materially from the forward-looking statements and from management s current expectations. Such risks and uncertainties include those set forth under Risk Factors in Part I, Item 1A of this Annual Report on Form 10-K. The forward-looking statements in this report speak only as of the time they are made and do not necessarily reflect our outlook at any other point in time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or for any other reason. Therefore, readers should carefully review the risk factors set forth in other reports or documents we file from time to time with the Securities and Exchange Commission (the SEC).

PART I

Item 1. *Business*

Overview

MSCI offers content, applications and services to support the needs of institutional investors throughout their investment processes. Clients look to us for an integrated view of the drivers of risk and return in their portfolios, broad and deep asset class coverage, quality data, an objective perspective and innovation.

MSCI clients include asset owners (pension funds, endowments, foundations, central banks, family offices and insurance companies), asset management firms (mutual funds, hedge funds, providers of exchange-traded funds (ETFs)), private wealth managers and financial intermediaries (banks, broker-dealers, exchanges, custodians, trust companies and investment consultants).

We provide products and services that support global investing and for decades have helped institutional investors address challenging investment and risk problems. Equity factor investing was pioneered in the 1970s based on research, data and analytics developed by Barra part of MSCI since 2004. We continue to innovate in the development of indexes and analytical models; provision of ratings and analysis that enables institutional investors to integrate environmental, social and governance (ESG) factors into their investment strategies; and analysis of real estate in both privately and publicly owned portfolios.

Clients use our content and applications to help construct portfolios and allocate assets. Our analytical tools help them measure and manage risk across all major asset classes. Our powerful computational and reporting engine can process large multi-asset class portfolios on an intra-day basis. We offer clients the flexibility to tailor MSCI products and services and integrate them into their own workflows.

Primary Uses of MSCI Products and Services

Institutional investors use MSCI s offerings to achieve a wide range of objectives.

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Benchmarking Institutional investors worldwide use indexes from MSCI to evaluate the performance of their funds. MSCI indexes are among the most widely used benchmarks for multi-country passive and active equity strategies worldwide.

Index-linked product creation MSCI indexes are used as the basis for products such as ETFs. MSCI is a leading provider of equity indexes to the equity ETF industry, with approximately 800 ETFs based on MSCI equity indexes listed around the world.

Portfolio construction Asset managers use our research, data and multi-asset class and multi-currency models to help build portfolios and allocate assets. Our global equity content sets provide tools for portfolio optimization and back-testing. Asset managers also construct portfolios by replicating or tracking MSCI indexes.

Risk management MSCI s tools for statistical analysis provide clients with a broad range of risk calculations on a daily and weekly basis. One of our best-known statistical models calculates Value at Risk (VaR), which estimates the largest possible loss that could be incurred in a portfolio at a specific confidence level over a given period of time. We offer an extensive library of stress testing scenarios that enable clients to design and run stress tests that reflect their own investment parameters.

ESG integration MSCI ESG Research provides in-depth ratings and analysis of ESG-related business practices of thousands of companies worldwide. Our ratings and analysis can help institutional investors pursue their sustainable long-term investing goals and uncover risks and opportunities that traditional investment research may not detect.

Performance attribution MSCI offers a suite of performance attribution models with which to analyze the sources of portfolio performance on an absolute or relative basis. Our tools are multi-asset class and multi-currency, and we collect market and asset data daily. A streamlined workflow makes attribution reporting intuitive and efficient.

Regulatory reporting We help institutional investors comply with regulatory reporting requirements around the world. Our processing capability enables us to create and implement a broad range of customized reports.

Our Business Model

Our principal business model is to license annual, recurring subscriptions to our products and services for an annual fee, paid up-front. Fees may vary by product or service, number of users or volume of services. Recurring subscriptions include MSCI s managed services offering, whereby we oversee the production of risk and performance reports on behalf of clients.

We also derive revenue from clients who use our indexes as the basis for index-linked investment products such as ETFs or as the basis for passively managed funds and separate accounts. These clients commonly pay us a license fee for the use of our intellectual property based on the assets under management (AUM) in their investment product.

Certain exchanges use our indexes as the basis for futures and options contracts and pay us a license fee for the use of our intellectual property based on their volume of trades.

Clients also subscribe to periodic benchmark reports, digests and other publications associated with our real estate products.

We also realize one-time fees related to customized reports, historical data sets, and certain implementation and consulting services, as well as from certain products and services that are purchased on a non-renewal basis.

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Revenues for the year ended December 31, 2015 totaled $1,075.0 million, up 7.9% from the prior year period. Sources of revenue consisted of $857.5 million in recurring subscriptions, $198.0 million in revenue from asset-based fees, and $19.5 million in non-recurring revenue.

Our Product Segments

MSCI operates in four segments: Index, Analytics, ESG and Real Estate. Because the operating segments of ESG and Real Estate do not meet segment disclosure reporting thresholds, ESG and Real Estate are combined and presented as part of the All Other segment for reporting purposes. This segment structure reflects a change that we made to our reportable and operating segments during the year ended December 31, 2015 to better align our financial reporting with how our products and services are offered to our clients, as well as to offer additional insight into how the Company is being managed. See Note 1, Introduction and Basis of Presentation, and Note 13, Segment Information, of the Notes to Consolidated Financial Statements included herein for additional information on our current segment reporting structure.

The following table presents operating revenue and Adjusted EBITDA by reportable segment for the year ended December 31, 2015:

	Year Ended December 31, 2015			
	Operating Revenues	Percentage of total (%)	Adjusted EBITDA[1]	Percentage of total (%)
	(in thousands)			
Index	$ 558,964	52.0%	$ 392,987	81.6%
Analytics	433,424	40.3%	95,468	19.8%
All Other	82,625	7.7%	(6,758)	(1.4%)
Total	$ 1,075,013	100.0%	$ 481,697	100.0%

(1) See Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations for the definition of Adjusted EBITDA and discussion of Adjusted EBITDA and Segment Results.

Index Segment

MSCI s indexes are used in many areas of the investment process, including index-linked product creation and performance benchmarking, as well as portfolio construction and rebalancing, and asset allocation. MSCI currently calculates over 180,000 global equity indexes and approximately 8,300 custom indexes. As of December 31, 2015, 97 of the top 100 global asset managers licensed equity indexes from MSCI (as ranked by *Pensions & Investments* (P&I) in its report dated April 2015).

MSCI s global equity indexes are designed to measure returns across a wide variety of equity markets (*e.g.*, Europe, Japan, USA, emerging markets), sizes (*e.g.*, small and large capitalization), styles (*e.g.*, growth, value), industries (*e.g.*, banks, media), strategies (*e.g.*, active, passive, factors) and themes (*e.g.,* economic exposure). MSCI-branded ESG indexes are designed to help clients incorporate ESG considerations into their investment processes. MSCI s real estate indexes are designed to measure the performance and risk indicators of our clients against their peers.

Clients receive data directly from MSCI or from one or more third-party providers of financial information that distributed our equity index products worldwide as of December 31, 2015.

The performance of MSCI s equity indexes is also referenced frequently when selecting investment managers, assigning return benchmarks in mandates, comparing performance and providing market and academic commentary. The performance of certain of our equity indexes is reported on a daily basis in the financial media.

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Products in MSCI s Index segment include:

MSCI Global Equity Indexes. MSCI Global Equity Indexes are our flagship index products. As of December 31, 2015, we calculated indexes that covered more than 80 countries in developed, emerging and frontier markets, as well as various regional and country indexes built from the component country indexes. These indexes include the MSCI ACWI, MSCI World, MSCI EAFE, MSCI ACWI IMI, MSCI Emerging Market and MSCI USA Indexes. We also offer industry indexes, value and growth style indexes and large-, mid-, small- and micro-capitalization size segment indexes. We believe that MSCI Global Equity Indexes are the most widely used benchmarks by cross-border equity funds. A number of asset owners use the MSCI ACWI IMI Indexes as the policy benchmark for their equity portfolios. We also continue to enhance and expand successful product offerings, as evidenced by the launch of new indexes (*e.g.*, the MSCI Core Infrastructure Indexes, MSCI Adaptive Hedge Indexes, MSCI Adaptive Capped Indexes, MSCI Islamic Indexes M-Series, MSCI India Domestic Indexes, MSCI Indexes with the ITG Fair Value Model, and MSCI Enhanced Value Indexes) to be used as the basis for ETFs and other financial products.

MSCI Custom Indexes. In recent years, MSCI has significantly increased the number of custom indexes it calculates. MSCI currently calculates approximately 8,300 custom indexes, which apply a client s criteria to an existing MSCI index. Examples of customization criteria include liquidity screening, currency hedging, tax rates, stock exclusions or special weighting. Custom indexes can reflect specific investment criteria, such as socially responsible investment requirements or regulatory constraints. They can be used for back-testing strategies or developing specialized investment products, minimizing portfolio tracking error and constructing index-linked products.

MSCI Factor Indexes. MSCI Factor Indexes seek to address an emerging trend among institutional investors and asset managers whose asset allocation processes include risk groupings such as growth, income, inflation, volatility and liquidity. MSCI Factor Indexes reflect components of equity return that were once considered added value, or alpha, but that can be attributed to sources of systematic return such as value, size, quality, yield, volatility, or momentum. MSCI offers a comprehensive suite of factor index families, including the MSCI Minimum Volatility Indexes, high-exposure factor indexes (e.g., the MSCI Enhanced Value, MSCI Equal Weighted and MSCI High Dividend Yield Indexes), single high capacity factor indexes (e.g., the MSCI Quality Tilt, MSCI Dividend Tilt, MSCI Size Tilt, MSCI Momentum Tilt, MSCI Volatility Tilt and MSCI Value Weighted Indexes) and combinations of factor indexes and multi-factor indexes, such as the MSCI Diversified Multiple-Factor Indexes.

MSCI ESG Indexes. MSCI ESG Indexes are designed to meet the growing demand for indexes that integrate ESG factors into benchmarks to measure performance for use by institutional investors who wish to adopt a long-term sustainable investment view. They enable clients to issue index-based ESG investment products, to benchmark the performance of ESG portfolios, and to measure and report on compliance with ESG mandates. The MSCI ESG Indexes include: Sustainability Indexes that use a selection process based on MSCI ESG Ratings; Socially Responsible Investment (SRI) Indexes that exclude companies based on certain values, norms or ethical standards; Environmental Indexes, including Low Carbon Indexes, Fossil Fuels Exclusion Indexes and benchmarks that represent the markets for renewable energy and clean technology; and custom indexes based on client-defined ESG specifications.

MSCI Real Estate Indexes. MSCI s Real Estate indexes cover sectors, factors, liquidity and custom indexes that span the real estate market.

Global Industry Classification Standard (GICS ®). GICS was developed and is maintained jointly by MSCI and Standard & Poor s Financial Services, LLC, a subsidiary of The McGraw-Hill Companies, Inc. (Standard & Poor s). This classification system was designed to respond to clients needs for a comprehensive, consistent and accurate framework for classifying companies into industries. GICS is widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. MSCI s equity index products classify constituent securities according to GICS. We

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offer GICS Direct, a joint product of MSCI and Standard & Poor s. GICS Direct is a database comprising over 44,000 active companies and more than 54,000 securities classified by sector, industry group, industry and sub-industry in accordance with the proprietary GICS methodology.

Analytics Segment

MSCI s Analytics products offer institutional investors an integrated view of risk and return. Our research-enhanced content and tools help institutional investors understand and control for market, credit, liquidity and counterparty risk across all major asset classes, spanning short, medium and long-term time horizons.

MSCI s Analytics platform includes Barra multi-factor models; pricing models; methodologies for performance attribution; RiskMetrics models for statistical analysis, such as VaR; and tools for security analysis, portfolio optimization, back testing and stress testing.

Our global risk and performance engine is built for scale, enabling clients to conduct complex simulations and stress tests.

Analytics products from MSCI include:

RiskMetrics RiskManager. We believe that RiskMetrics RiskManager is an industry leader in VaR simulation and stress testing. Clients use RiskManager for daily analysis, measuring and monitoring of market and liquidity risk at fund and firm levels, sensitivity and stress testing, interactive what-if analysis, and counterparty credit exposure. RiskManager is a highly scalable platform accessed by clients via a license to a secure, interactive web-based application service, and is offered as an outsourced risk reporting service or as a web service in which a client s systems access RiskMetrics core risk elements by connecting directly to MSCI s systems.

BarraOne. BarraOne, powered by the Barra Integrated Model (BIM), provides clients with global, multi-asset class risk analysis using Barra s fundamental factor methodology. BarraOne also includes VaR simulation, stress testing, optimization and performance attribution modules that enable clients to manage multi-asset class portfolios, carry out risk allocation budgeting, manager monitoring, performance attribution and regulatory risk reporting.

Barra Portfolio Manager. Barra Portfolio Manager is an integrated risk and performance platform that is designed to help fund managers and their teams gain additional portfolio insight, manage a more systematic investment process and make faster, more informed investment decisions. The hosted interactive user interface allows users to analyze risk and return, conduct pre-trade what-if analysis across a number of scenarios and construct portfolios using the Barra Optimizer. It also allows users to decompose the risk and attribute the return of their portfolios according to Barra models. The platform supports optional data management services that allow users to outsource the loading and reconciliation of their portfolio and other proprietary data.

Barra Equity Models Direct. Barra Equity Models Direct delivers our proprietary risk data to clients for integration into their own software applications. Barra Equity Models Direct includes

Barra Global Total Market Models, Barra Regional Equity Models and Barra Single Country Equity Models. The proprietary risk data in Barra Equity Models Direct is also available via third-party providers. We offer the proprietary risk data from global, regional and single country Barra risk models and most of these models are available with short-term and long-term time horizons so that clients can select the risk data that best suits their investment processes.

Barra Integrated Model (BIM). BIM provides a detailed view of risk across markets and asset classes, including currencies, equities, fixed income, commodities, mutual funds and hedge funds. It begins by identifying the factors that affect the returns of many asset classes, including equity and fixed income securities and currencies. These factors are then combined into a single global equity model that forecasts the risk of multi-asset class global portfolios.

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Barra Aegis. Barra Aegis is a sophisticated software application for equity risk management and portfolio analysis that is powered by our proprietary equity risk data. It is deployed by the client as a desktop application. Barra Aegis offers an integrated suite of equity investment analytics modules, specifically designed to help clients actively manage their equity risk against their expected returns. It also enables clients to construct optimized portfolios based on client-specified expectations and constraints.

HedgePlatform. HedgePlatform, a reporting service, allows clients that invest in hedge funds, including funds of funds, pension funds and endowments, to measure, evaluate and monitor the risk of their hedge fund investments across multiple hedge fund strategies. MSCI collects position-level information from hedge funds on a monthly basis and provides clients with risk information for each individual hedge fund in which they invest as well as aggregate risk information for their overall portfolio of hedge funds. Clients who use RiskManager to measure the risk of their own holdings can further integrate the positions collected via our HedgePlatform service to allow computation of risk across their entire portfolio, while the confidential and proprietary nature of the underlying hedge fund holdings is maintained. HedgePlatform reports include statistics such as exposure (*e.g.*, long, short, net and gross), sensitivities, scenario analysis, stress tests and VaR analysis.

InvestorForce. InvestorForce products offer performance reporting solutions to the institutional investment community in the United States by providing investment consultants with an integrated solution for daily monitoring, analysis of and reporting on institutional assets. InvestorForce products also offer clients access via a web portal to a database that includes portfolio analytics and transaction and holdings information, which is updated in real time as data is collected from custodial banks and fund managers.

WealthBench. WealthBench is an investment planning platform for private banks, financial advisers, brokerages and trust companies. WealthBench assists users in delivering informed, tailored investment planning proposals for high net worth individuals reflecting their needs, goals and risk tolerances while remaining consistent with firm-driven investment and risk-based policies. WealthBench incorporates robust analytics, market-consistent inputs and transparent methodologies.

CreditManager. CreditManager is a portfolio credit risk management system used primarily by banks to calculate economic capital, facilitate risk-based pricing and measure credit risk concentrations. The application is designed to consolidate and compare risks and opportunities across multiple credit exposures including bonds, credit derivatives and traditional lending.

All Other Segment ESG

MSCI s ESG products offer research and ratings that enable institutional investors to assess risks and opportunities arising from ESG issues, as well as evaluate both individual securities and investment portfolios. MSCI develops screening and modeling tools that allow users to align investments with a set of ESG values such as perceptions of certain business activities, religious views or international norms; generate buy/restricted lists of companies that meet those criteria; understand the implications of restrictions on portfolios; and examine company specific profiles. The tools also include the ability to monitor a company s adherence to internationally recognized norms and principles. Subscribers to MSCI ESG Research included 47 of the top 50 global asset managers, as of December 31, 2015 (as ranked by P&I in its report dated April 2015).

ESG products from MSCI include:

MSCI ESG Research. MSCI ESG Research has a dedicated, in-house ESG research team, which enables MSCI to control, monitor and manage data quality. Our research analysts assess thousands of data points across 34 ESG issues, covering more than 5,900 global companies in more than 70 sectors, including more than 150 fixed-income issuers, as of December 31, 2015. MSCI ESG Research led nine major categories, including Best SRI Research firm and Best Corporate Governance firm in the

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2015 Independent Research in Responsible Investment (IRRI) survey. We also use MSCI ESG Research to create MSCI ESG indexes, which are included in our Index segment.

MSCI ESG Ratings. MSCI ESG Ratings are designed to provide institutional investors with the ability to integrate ESG into investment decisions by identifying risks and opportunities that may not be captured through conventional analysis. This includes ratings for 25,000 equities and 140,000 fixed-income securities. In addition, MSCI also assigns ESG ratings to more than 2,200 companies worldwide, covering an additional 90,000 fixed-income securities. Ratings are designed to identify and analyze ESG issues, including exposures (e.g., business segment and geographic risk), management and industry-specific measures that may include the intersection of a company s major social and environmental impacts with its core business operations, thereby identifying potential risks and opportunities for the company and its investors.

MSCI ESG GovernanceMetrics. MSCI ESG GovernanceMetrics provides institutional investors with corporate governance research and data on over 7,000 public companies worldwide. Asset managers and owners can access company profiles, rankings and underlying governance and accounting metrics to satisfy client investment guidelines, enhance engagement activities and manage potential portfolio risks.

All Other Segment Real Estate

MSCI s Real Estate products provide real estate performance analysis for funds, investors, managers, lenders and occupiers. We provide products and offer services that include research, reporting and benchmarking. MSCI s Real Estate performance and risk analytics range from multi-asset class to property-specific analysis. MSCI also provides business intelligence to real estate owners, managers, developers and brokers worldwide.

MSCI s Real Estate products comprise private real estate benchmarks and indexes typically branded IPD and include:

Portfolio Analysis Service (PAS). PAS is a single platform for real estate risk management and performance attribution that analyzes the strengths and weaknesses of a real estate portfolio s performance relative to its benchmark. PAS provides portfolio management tools that are designed to assist in building effective real estate portfolios, allowing users to gain additional portfolio insight to help them make informed investment decisions. Performance attribution enables users to analyze the sources of portfolio risk and return on an absolute or relative basis. PAS provides real estate investors with a granular understanding of the exposures and returns of their real estate portfolio, from the building to the fund level.

IPD Global Intel. IPD Global Intel is a databank that equips asset owners, researchers, strategists and portfolio and risk managers with data analytics to enhance their understanding of local, regional and global real estate performance and risks. IPD Global Intel comprises a consolidated set of global, regional, national, city and submarket indexes with breakdowns by property type. Drawing from actual performance data on approximately 1,300 funds and 66,000 real estate assets, IPD Global Intel provides investors and managers an authoritative view of market trends and time series, as well as actionable information on property markets for more than 30 countries.

Growth Strategy

We believe we are well positioned for growth over time. Our multi-pronged strategy is focused on addressing the most critical needs of institutional investors and building on our strong client relationships and integral role in the investment process.

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Client Growth

We believe there are opportunities to increase our business with existing clients and to add new clients. We intend to:

Increase product subscriptions within our current client base. We expect that our products and services will enable us to offer clients more ways to achieve their current and future objectives. Many of our clients use only a limited number of our products, and we believe there are opportunities to sell additional content and tools to existing clients and to increase the number of users and locations. We believe our knowledge of our clients and our familiarity with their investment processes enables us to license these additional products to our clients.

Expand our client base. We seek to add new clients by increasing our sales efforts and by leveraging the investments made in recent years, including transitioning away from our historic product-centric approach to a client needs-centric approach by merging our legacy product brands under an umbrella MSCI brand. We also believe that efforts to expand our geographic presence in recent years have positioned us to further leverage our brand strength, product reach and access to the global investment community to attract new clients.

Focus on client relationship management. During 2015, we realigned MSCI s global client coverage organization to sharpen our focus on current clients and improve our ability to identify new prospects. Our Analytics team transformed its product line across multiple dimensions, including strategy, product development, execution and governance. We also consolidated legacy risk management analytics and portfolio management analytics sales teams into one integrated team, as well as incorporated ESG and Real Estate sales and service teams into our overall client coverage organization. To ensure that MSCI provides world-class service to our largest accounts, we have assigned senior account managers (SAMs) to cover such accounts on a dedicated basis.

Increase licensing of indexes for ETFs and other exchange traded investment products. Based on demand for our indexes as the basis for ETFs, we believe that there is opportunity for continued growth and expansion in the market, among both asset owners and managers, including registered investment advisors. We will continue to pursue opportunities to increase licensing of our indexes for index-linked investment products to capitalize on the growth in number and variety of our indexes and related products. The table below illustrates the growth trend with respect to the number of exchange listings of ETFs linked to MSCI equity indexes in the Americas, Europe, the Middle East and Africa (EMEA) and Asia.

Number of Exchange Listings of ETFs Linked to MSCI Equity Indexes

		As of	
Region	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**
Americas	273	239	190
EMEA	466	409	381

Asia	59	39	36
Total	798	687	607

Historical values of the assets in ETFs linked to our indexes are set forth in a table under Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations below.

Increase managed services offerings. Continued pressure on management fees is causing our clients to look for ways to become more operationally efficient. MSCI s Managed Services include end-to-end services that aim to assist clients with meeting operational and regulatory requirements by providing a convenient and cost-effective way to outsource data processing, systems administration and reporting. By outsourcing these functions to MSCI s data management professionals, we hope to free up our clients to focus on value-added work such as risk budgeting, asset allocation and manager selection and

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monitoring. Our end-to-end services include consolidation of data from various sources, data reconciliation analysis, uploading of data into MSCI s risk and portfolio management applications, identification of anomalies and customized reporting at a client s direction.

Develop New Products and Product Enhancements

We plan to develop new product offerings and continue to enhance our existing products. Much of our product development is based on an ongoing and active dialogue with clients, which helps us to understand their needs and anticipate market developments. We intend to:

Create innovative product offerings and enhancements. We see strong demand for new MSCI products and services that can help clients implement their investment strategies. We strive to transform clients challenges into opportunities by introducing innovative new products and enhancements to existing products. In Index, this includes developing new indexes, including custom indexes and currency-hedged indexes. In Analytics, we are transforming our platform in response to clients needs for investment differentiation, operational efficiency, risk management and regulatory compliance, and producing content that addresses those needs cost effectively. As ESG moves more into the mainstream of investing, we are developing new research and ratings products that assess corporate responsibility. Additionally, in Real Estate, we are building new products for Real Estate markets in a number of countries, as well as creating a platform that delivers products more efficiently and offers clients new ways to interact with our data.

Execute on investments to expand our capacity to design and develop new products. Over the past two years, we have increased investment in product development teams, research, data production systems, technology infrastructure and software application design to enable us to design and develop new products more quickly and cost-effectively over time. Further increasing our ability to construct additional indexes, and design software applications more effectively, will allow us to address client needs and bring new products and product enhancements to the market more quickly. During 2015, we upgraded our technology infrastructure by moving one of our data centers to a world-class data center in Nevada. This move significantly increased our capacity to meet the growing needs of our largest global clients.

Growth through acquisitions. We intend to continue to seek to acquire products, technologies and companies that will complement our product offerings and client base, as well as increase our ability to provide investment decision support tools to equity, fixed income and multi-asset class investment institutions, and the financial intermediaries that serve such institutions.

Competitive Advantages

We believe MSCI s competitive advantages include:

Our strong client relationships and deep understanding of client needs. One of the advantages of MSCI is that our vantage point enables us to view financial markets in terms of what matters to global investors and financial institutions. From 35 offices in the Americas, EMEA and Asia, we engage in conversations with institutional investors looking beyond geographic boundaries and asset classes to produce content and knowledge about global risk-taking and opportunity. We believe that our consultative approach to product development, dedication to client support and our range of products enable us to build strong relationships with investment professionals and institutions around the world. The skills, knowledge and experience of our research, applications development, global sales, data management and production and product management teams enable us to develop and enhance our models, methodologies, data and software applications in accordance with client demands and needs. We consult with clients and other market participants during the product development process to take into account their actual investment objectives and requirements. As of December 31, 2015, MSCI s clients included:

- 97 of the top 100 global asset managers (as ranked by P&I in its report dated April 2015);

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- 87 of the top 100 global pension funds (as ranked by P&I/Towers Watson in their report dated September 2015);
- 69 of the top 100 global hedge funds (as ranked by Preqin as of 2015); and
- 86 of the top 100 global banks (as ranked by The Banker Database as of 2015).

We believe that our relationships with the leading institutional investors are broader and more global than our peers.

Data quality. MSCI offers proprietary software and databases that house data from more than 200 third-party sources as well as data that MSCI produces. Our data-management teams work to achieve the highest standards for data quality and accuracy. MSCI currently calculates more than 180,000 end-of-day indexes daily and more than 10,000 indexes in real time.

Extensive historical databases. MSCI has amassed extensive databases of historical global market data, proprietary equity index data, private real estate benchmark data, risk data and ESG data. We believe our substantial and valuable databases of proprietary index and risk data, including over 40 years of certain index data history, nearly 40 years of certain risk and real estate data history, as well as over 14 years of certain historical governance data, would be difficult and costly to replicate. The information is not available from any single source and would require intensive data checking and quality assurance testing that we have performed over our many years of accumulating this data. Historical data is a critical component of our clients investment processes, allowing them to research and back-test investment strategies and analyze portfolios over many investment and business cycles and under a variety of historical situations and market environments.

Client integration of our products. Many of our clients have integrated our products into their performance measurement and risk management processes, where these products become an integral part of our clients daily portfolio management functions. In certain cases, our clients are requested by their customers to report using our tools or data. Additionally, our tools can help clients comply with local regulations or client reporting requirements. Consequently, we believe that certain of our clients may experience business disruption and additional costs if they cease using or replace our products.

Brand recognition. We believe that MSCI s brand is well-established and recognized throughout the institutional investment community worldwide. The strength of MSCI s brand reflects the longstanding quality and widespread use of our products. We believe our indexes, platforms and content are well-positioned to be the tools of choice for investment institutions increasingly looking to third-party products and services for help with benchmarking, index-linked product creation and portfolio and multi-asset class market risk management.

Global products and operations. Our products cover most major investment markets throughout the world. For example, the MSCI Global Equity Index family provides broad equity market coverage for over 80 countries in our developed, emerging and frontier market categories; and MSCI produces equity risk data for 45 single country models, 10 regional equity models and an integrated multi-asset class risk model covering equity markets and fixed income markets. As of December 31, 2015, MSCI s clients were located in 86 countries, with many of them having a presence in multiple locations around the world. As of December 31, 2015, MSCI s employees were located in 22 countries in order to maintain close contact with our clients and the international markets we follow. We believe our global presence and focus allow us to serve our clients well and capitalize on a great number of business opportunities in many countries and regions of the world.

Sophisticated models with practical application. We have invested significant time and resources for more than three decades in developing highly sophisticated and practical index methodologies and risk models that combine financial theory and investment practice. We continually enhance our models to reflect the evolution of markets and to incorporate methodological advances into risk forecasting. New models and major enhancements to existing models are reviewed by our model review committee.

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Open architecture and transparency. We have an open architecture philosophy aimed at increasing data access and integration features in our products and services. Clients can access our data through our software applications, third-party applications or their own applications. We also recognize that the marketplace is complex and multi-layered, as a competitor in one context may be a supplier or distributor in another context. For example, Standard & Poor s competes with us in index products, supplies index data that we distribute in our portfolio analytics software products and jointly developed and maintains GICS and GICS Direct with us. In order to provide transparency, we document and disclose many details of our models and methodologies to our clients so that they can better understand and utilize the tools we offer. Consistent with our open architecture approach, we believe this transparency benefits us and our clients.

Scalable application platforms. We will continue to invest in our data centers, technology platform and software products to provide highly scalable solutions for the processing of large volumes of asset and portfolio data. In doing so, we are able to offer clients computing capacity that they would otherwise not be able to access in a cost-effective manner through internal development.

Highly skilled employees. Our workforce is highly skilled, technical and, in some instances, specialized. In particular, our research and software application development departments include individuals with backgrounds in mathematics, statistics, finance, portfolio investment and application development who combine advanced academic credentials with market experience. Our employees experience and knowledge give us access to, and allow us to add value at, the highest levels of our clients organizations.

Clients

As of December 31, 2015, MSCI served approximately 6,400 clients across 86 countries worldwide, with 52.2% of revenues coming from clients in the Americas, 35.5% in EMEA and 12.3% in Asia and Australia. To calculate the number of clients, we may count certain affiliates, user locations, or business units within a single organization as separate clients. For example, the asset management and broker-dealer units of a diversified financial services firm may be treated as separate clients, even though the financial services firm is the only party to the applicable subscriptions or licenses. If we aggregate all related clients under their respective parent entity, the number of clients would be approximately 3,850, as of December 31, 2015.

Our Aggregate Retention Rate was 93.4% and 93.0% for the years ended December 31, 2015 and 2014, respectively. See Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial Metrics and Drivers *Operating Metrics Aggregate Retention Rate* for the definition of Aggregate Retention Rate and more detailed aggregate retention rate data.

Revenues from our 10 largest clients contributed a total of 26.0%, 25.8% and 25.1% to our total revenues for the years ended December 31, 2015, 2014 and 2013, respectively.

In the years ended December 31, 2015, 2014 and 2013, our largest client organization by revenue, BlackRock, Inc. and its affiliates (BlackRock), accounted for 10.3%, 10.6% and 9.7% of our operating revenues, respectively. For the years ended December 31, 2015, 2014 and 2013, 93.0%, 92.1% and 89.1%, respectively, of our revenues from BlackRock were attributable to fees based on the AUM of ETFs linked to MSCI equity indexes, including its iShares ETF business.

Geographic Information and Client Region

We currently have branches or subsidiaries in the following locations: Australia, Brazil, Canada, Chile, China, England, France, Germany, Hong Kong, Hungary, India, Italy, Japan, Korea, Mexico, the Netherlands, the Philippines, Singapore, South Africa, Sweden, Switzerland, Taiwan, United Arab Emirates and the U.S. See Note 13, Segment Information, of the Notes to Consolidated Financial Statements included herein for additional information on our revenues and certain assets by geographic area.

Marketing

We market our products to asset owners and managers, chief investment officers, active and passive portfolio managers, chief risk officers and financial intermediaries. Our research and product management teams seek to understand our clients investment processes and needs in order to design tools that help clients understand the dimensions of performance and risk in their portfolios and make better-informed investment decisions.

Members of our research team and other employees regularly speak at industry conferences, as well as at our own events. For example, we hosted approximately 800 seminars, webinars, conferences and workshops in various locations across the globe in 2015. These events bring our staff and our clients together, expose those clients to our latest research and product enhancements and give our staff an opportunity to gain insight into our clients needs.

Our marketing professionals arrange interviews for our industry and product experts in prominent financial and trade media and issue press releases from time to time on client wins, new research and product developments. We also communicate with both existing clients and prospective clients through our email newsletters which deliver research, insights and product specific news, through our public website and client portals, and via social media.

Our marketing department collaborates with our product specialists to analyze our clients use of our products and to analyze the competitive landscape for our products. We also supplement these direct marketing efforts with targeted online advertising and co-branding initiatives with some of our major clients.

Sales and Client Support

As of December 31, 2015, our client coverage offices included approximately 280 salespeople and 300 client-support personnel worldwide. Of these, over 85 were located in New York and 100 were located in London.

We have expanded our sales efforts to increase our revenues and our client service efforts to further ensure client satisfaction and develop client loyalty. For example, over the last few years, we opened sales and client coverage offices in Santiago, Chile and Seoul, Korea and expanded our sales presence in China and the Middle East. In 2015, we also significantly increased the number of client coverage employees in Mumbai, India and Monterrey, Mexico.

We also have sales and client support teams that are dedicated to specific client segments in order to increase our impact in each such segment, including with respect to asset managers, hedge funds, asset owners, financial advisors, private wealth managers and broker dealers. In the Americas, we also increased our focus on smaller asset managers and hedge funds, financial advisors and insurance firms. Our sales and client support staff are based around the world to enable us to provide valuable face-to-face client service and focus efforts on developing new clients in more locations.

The sophisticated nature of our products and their uses demand a sales and client support staff with strong academic and financial backgrounds. Most new sales require several face-to-face meetings with the prospective client and the sales process for large and complex sales is likely to involve a team comprising sales, client support, product management and research. For example, for Barra and RiskMetrics branded products, sales and client support personnel are available to onboard new clients and new users, which includes providing intensive on-site training in the use of the models, data and software applications underlying each product. Client support also provides ongoing support, which may include on-site visits, telephone and email, and routine support needed in connection with the use of the product or how it can help clients improve their processes, all of which are included in the recurring subscription fee. We believe that the size, quality, knowledge and experience of our sales and client support staff, as well as their proximity to clients, differentiate us from our competitors.

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Product Development and Production

We take a coordinated team approach to product development and production. Our product management, research, data operations and technology and application development departments are at the center of this process.

Drawing on decades of experience with the investment process worldwide, our research department develops, reviews and enhances our various methodologies and models. Our global data operations and technology team designs and manages our processes and systems for market data procurement, proprietary data production and quality control. Our application development team builds our sophisticated software applications. As part of our product development process, we also commonly consult with clients and other market participants to understand their specific needs and investment process requirements. Our product management team facilitates this collaborative product development and production approach. The roles and functions of our product development and production teams include:

Research. Our models are developed by a cross-functional research team of mathematicians, economists, statisticians, financial engineers and investment industry experts. Our index and risk and analytics research departments combine advanced academic credentials with broad financial and investment industry experience. They work on both developing new models and methodologies and enhancing existing ones. We monitor investment trends and their drivers globally; analyze product-specific needs in areas such as capitalization-weighted, factor and specialized indexes; and examine instrument valuation, risk modeling, portfolio construction, asset allocation and VaR simulation. An important way we monitor global investment trends and their implications for our business is through the forum provided by our Editorial Advisory Board (EAB). Our EAB, which was established in 1999, meets twice a year and is comprised of senior investment professionals from around the world and senior members of our performance and risk research team. In 2015, our index and portfolio and risk analytics researchers participated in numerous industry events and conferences, and their papers have been published in leading academic and industry journals. They also play a leading role in many of the seminars, workshops and webinars we host throughout the year, presenting and discussing their latest research findings with both existing and prospective clients.

Data Operations and Information Technology. Our data operations and technology teams consist of a combination of operations and information technology specialists. We licensed a large volume and variety of market data for every major market in the world, including fundamental and return data, from more than 200 third-party sources in 2015. We apply our models and methodologies to this market data to produce our proprietary risk and index data. Our data operations team oversees this complex process. Our experienced information technology staff builds proprietary software and databases that house all of the data we license or produce in order for our data operations team to perform data quality checks and run our data production systems. Our software and data resides on servers, networks and databases engineered and managed by our IT Infrastructure team, and operated and monitored by our IT Operations team. This technology suite resides in our global data centers in Nevada, U.S. and Geneva, Switzerland. Our data factory produces our proprietary index data such as end-of-day and real time equity indexes, real estate benchmarks, and our proprietary risk data such as daily and monthly equity risk forecasts, real estate performance and risk reporting and MSCI ESG Research reports. We have data operations and technology offices in North America, Europe and Asia.

Application Development. Certain of our proprietary risk data are made available to clients through our proprietary software applications, such as Barra Aegis, BarraOne, RiskManager, HedgePlatform, WealthBench, Credit Manager and ESG Manager. Our application development team consists of individuals with experience in both the finance and software industries. Our staff has an extensive skill set, including expertise in both the Java-based technologies used in our web-based, on-demand software application tool for multi-asset class risk analysis and reporting and Microsoft-based technologies used in our desktop equity and fixed income analytics software products. We also have extensive experience with database technologies, computational programming techniques, scalability and performance analysis and quality assurance. We use a customized code base and software development methodology that leverages best practices from the software industry, including agile programming, test-driven development, parallel tracking, iterative cycles, prototyping and beta releases. We build our software applications by compiling multiple components, which enables us to reuse designs and codes in multiple products. Our software development projects involve extensive collaboration with our product management team and directly with clients. We have application development offices in the U.S., Europe and Asia.

Competition

Many industry participants compete with us by offering one or more similar index products. Such products vary widely in scope, including by geographic region, business sector and risk category.

Our Index products compete with offerings from FTSE Russell, a subsidiary of The London Stock Exchange Group PLC; S&P Dow Jones Indices LLC (a joint venture company owned 27% by CME Group, Inc. and CME Group Services LLC and 73% by The McGraw-Hill Financial, Inc.); the Center for Research in Securities Prices (CRSP); EDHEC-Risk Institute; DAX; STOXX Ltd.; BM&FBovespa; the Korea Stock Exchange; China Securities Index Co., Ltd.; the Hang Seng Index (a strategic partnership between CME Group, Inc. and Singapore Exchange Limited); Research Affiliates LLC; Morningstar, Inc.; Nikkei Inc.; Nomura Securities, Ltd.; the Tokyo Stock Exchange, Inc.; Intercontinental Exchange, Inc.; Nasdaq, Inc.; and Solactive AG.

There is also growing competition among asset managers and investment banks that create their own range of indexes in cooperation with index providers, which provide some form of calculation agent service. This is especially true for factor indexes, often referred to as smart beta indexes. Asset managers, such as WisdomTree and Goldman Sachs Asset Management, manage funds or ETF indexes based on their own proprietary indexes; and many investment banks have launched structured products or entered into OTC derivatives based on their own proprietary indexes.

Our Analytics products compete with offerings from a range of competitors, including Algorithmics (a unit of IBM), Axioma, Inc., BlackRock Solutions, Bloomberg Finance L.P., Capital IQ s ClariFI (a Standard & Poor s business), FactSet Research Systems Inc., Imagine Software, KMV (a unit of Moody s Corporation), Northfield Information Services, Inc., State Street Analytics, SunGard (a unit of FIS) and Wilshire Analytics. Additionally, many of the larger broker-dealers have developed proprietary analytics tools for their clients. Similarly, many investment institutions, particularly the larger global organizations, have developed their own internal risk management analytics tools. We also have a variety of competitors for our other products that comprise a smaller portion of our revenues.

Intellectual Property and other Proprietary Rights

We consider many aspects of our products, processes and services to be proprietary. We have registered, among others, MSCI, Barra, RiskMetrics, RiskManager, InvestorForce, and IPD as trademarks or service marks in tl States and in certain foreign countries. We will continue to evaluate the registration of additional trademarks, service marks and copyrights as appropriate. From time to time, we also file patent applications to protect our proprietary rights. We currently hold 23 U.S. and foreign patents and have three U.S. patents pending. Additionally, many of our products, processes and services require the use of intellectual property obtained from third parties. It may be necessary in the future to seek or renew licenses relating to various aspects of our products, processes and services.

Although we believe the ownership of such patents, copyrights, trademarks, service marks, the implementation of certain measures to protect our intellectual property and proprietary rights and our ability to obtain the rights to use intellectual property of third parties are important to our business and contribute in part to our overall success, we do not believe we are dependent on any one of our intellectual property rights or any one license to use third-party intellectual property. For a description of the risks associated with legal protection of

our intellectual property and other rights, infringement claims and the ability to obtain or renew licenses for third-party intellectual property, see Part I, Item 1A. Risk Factors *Legal Protections for our intellectual property rights and other rights may not be sufficient or available to protect our competitive advantages. Third parties may infringe on our intellectual property rights, and third-party litigation may materially adversely affect our ability to protect our intellectual property rights* below.

Company History

The following is a summary of the Company s history since its inception:

MSCI Timeline

1969	MSCI began as a pioneer in developing the market for global equity indexes.
	We began licensing our first equity index products in 1969.
1998	We were incorporated in 1998 and, until we became a public company in November 2007, our only two shareholders were Morgan Stanley and Capital Group International.
2004	In June 2004, we acquired Barra, LLC (formerly Barra, Inc., Barra), a provider of portfolio risk analytics tools that launched its first risk analytics products in 1975. This broadened our product range beyond index products.
2007	In November 2007, we completed our initial public offering. Simultaneously, we reclassified our outstanding common stock into class A and class B shares.
2008	In April 2008, Capital Group International divested its ownership position.
2009	In May 2009, Morgan Stanley divested its ownership position and we became a fully independent, stand-alone public company.
2010	In June 2010, we acquired RiskMetrics Group, Inc. (RiskMetrics), a leading provider of risk management and governance products and services. In addition to this core product line, RiskMetrics owned Institutional Shareholder Services Inc. (ISS), a pioneer in the development of policy-based proxy voting recommendations.
	RiskMetrics also owned the Center for Financial Research and Analysis (CFRA), Innovest Strategic Value Advisors, Inc. (Innovest) and KLD Research and Analytics (KLD Research). Innovest and KLD Research are now known as MSCI ESG Research Inc. (MSCI ESG Research).
	In July 2010, we acquired Measurisk, LLC (Measurisk), a provider of risk transparency and risk measurement tools for hedge fund investors. With our clients demanding increasing levels of transparency from their hedge fund managers, this acquisition helped us develop a broad platform and set the standard for analyzing and reporting hedge fund risk. Measurisk s products are now part of our hedge fund risk transparency offerings.
2012	In November 2012, we acquired real estate performance measurement group IPD Group Limited (IPD). The acquisition of IPD expanded MSCI s multi-asset class offerings by facilitating the integration of private real estate assets into our models, as well as adding a family of real estate indexes to MSCI s suite of equity indexes.

2013	In January 2013, we acquired Investor Force Holdings, Inc. (InvestorForce), a leading provider of performance reporting tools to the institutional investment community in the U.S. The InvestorForce offering enables us to provide consultants with integrated, daily monitoring, analysis of and reporting on institutional assets.
	In March 2013, we completed the sale of the CFRA product line.

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2014	In April 2014, we completed the sale of ISS.
	In August 2014, we acquired Governance Holdings Co. (GMI Ratings), a provider of corporate governance research and ratings to institutional investors, banks, insurers, auditors, regulators and corporations seeking to incorporate ESG factors into risk assessment and decision-making. This acquisition enhanced our existing platform of ESG research and tools, allowing us to deliver a more comprehensive suite of ESG products and services to our clients.
2015	In October 2015, we acquired all of the assets of Insignis, Inc. (Insignis), a leading provider of daily automated collection, aggregation and management of financial data. We believe this acquisition will help us further automate the collection and integration of data across our risk and performance management platforms.

For more information about our acquisitions and dispositions, see Note 3, Dispositions and Discontinued Operations, and Note 12, Acquisitions, of the Notes to Consolidated Financial Statements included herein.

Employees

We had 2,754 and 2,926 employees as of December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, 52.8% and 50.5% of our employees, respectively, were located in emerging market centers.

Government Regulation

The Company is subject to reporting, disclosure and recordkeeping obligations pursuant to SEC requirements. MSCI ESG Research is a registered investment adviser and must comply with the requirements of the Investment Advisers Act of 1940 and related SEC regulations. Such requirements relate to, among other things, disclosure obligations, recordkeeping and reporting requirements, marketing restrictions and general anti-fraud prohibitions. MSCI registered in 2012 with the State Council Information Office of the Ministry of Commerce and the State Administration for Industry and Commerce in China as a foreign institution supplying financial information services in China. See Part I, Item 1A. Risk Factors *Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations*.

Executive Officers

Name	Age	Position
Henry A. Fernandez	57	Chairman, Chief Executive Officer and President
Robert Qutub	54	Chief Financial Officer
Scott A. Crum	59	Chief Human Resources Officer
Richard J. Napolitano	49	Principal Accounting Officer and Global Controller
C.D. Baer Pettit	51	Chief Operating Officer
Laurent Seyer	51	Global Head of Client Coverage
Diana H. Tidd	46	Head of Index
Peter J. Zangari	48	Head of Analytics

Henry A. Fernandez

Mr. Fernandez has served as the Chairman since October 2007 and as the Chief Executive Officer (CEO), President and a director since 1998. Before leading MSCI s transition to becoming a fully independent, standalone public company in 2009, he was a Managing Director at Morgan Stanley, where he worked in emerging markets product strategy, equity derivative sales and trading, mergers and acquisitions, worldwide corporate finance and mortgage finance for U.S. financial institutions. Mr. Fernandez worked for Morgan Stanley from 1983 to 1991 and from 1994 to 2009. Mr. Fernandez serves on the boards of Georgetown University, the Hoover Institution at Stanford University, the Foreign Policy Association, Memorial Sloan-Kettering Cancer

Center, Catholic Charities of the Archdiocese of New York and the American Nicaraguan Foundation. Mr. Fernandez is the former Chair of the Advisory Council of the Stanford University Graduate School of Business. He holds a Bachelor of Arts in economics from Georgetown University, an M.B.A. from the Stanford University Graduate School of Business and pursued doctoral studies in economics at Princeton University.

Robert Qutub

Mr. Qutub has served as the Chief Financial Officer (the CFO) since August 2012. Prior to joining MSCI, Mr. Qutub worked for Bank of America from 1994 to 2012 in several senior finance positions, most recently as the CFO of Consumer and Business Banking. During his career at Bank of America, Mr. Qutub also served as the CFO of other major segments, including Global Banking and Markets and Global Wealth Investment Management. Prior to joining Bank of America, he was a Manager in the Financial Services Group for PricewaterhouseCoopers LLP from 1988 to 1994. Mr. Qutub served in the U.S. Marine Corps on active duty from 1981 to 1984. Since June 2014, Mr. Qutub has been a member of the board of directors and finance and audit committee of the USAA Federal Savings Bank. Mr. Qutub earned a Bachelor of Science in accounting from the University of North Carolina Charlotte. He is also a member of the American Institute of Certified Public Accountants. As previously announced, Mr. Qutub will retire from MSCI on the earlier of May 6, 2016 and the effective date of the appointment of his successor.

Scott A. Crum

Mr. Crum has served as the Chief Human Resources Officer since April 2014. Prior to joining MSCI, Mr. Crum served as Head of Global Human Resources for four publicly traded companies. Mr. Crum worked for Avon Products, Inc. as Senior Vice President of Human Resources and Chief People Officer from September 2012 to May 2013. From July 2010 to June 2012, Mr. Crum served as Senior Vice President and Chief People Officer of Motorola Mobility Holdings, Inc., one of two publicly traded companies formally created when Motorola Inc. split in January 2011. Prior to that, he served as the Senior Vice President and Director of Human Resources of ITT Corporation from September 2002 to July 2010 and Head of Administration and Employee Relations at General Instruments Corp. from 1997 to 2000. Mr. Crum holds a Bachelor of Business Administration with a concentration in industrial relations from Southern Methodist University.

Richard J. Napolitano

Mr. Napolitano has served as the Principal Accounting Officer since February 2014 and Global Controller since June 2011. Prior to joining MSCI, Mr. Napolitano worked at Morgan Stanley from 2005 to 2011, J.P. Morgan Chase from 1996 to 2005 and Ernst & Young from 1988 to 1996. At these firms, he held various positions including, among others, Business Unit or Product Chief Financial Officer or Controller, Head of External Reporting and Accounting Policies and Audit Senior Manager. Mr. Napolitano earned his Bachelor of Science in accounting and an M.B.A. in finance from the Leonard N. Stern School of Business at New York University. He is also a member of the American Institute of Certified Public Accountants.

C.D. Baer Pettit

Mr. Pettit has served as the Chief Operating Officer since September 2015. As such, Mr. Pettit oversees the firm s operations, technology and product lines and reports directly to the Chief Executive Officer. Before taking on his current role, Mr. Pettit served as Head of the Product Group from February 2015 to September 2015, Head of Client Coverage from 2001 to August 2012, Head of Marketing from 2005 to August 2012 and Head of Index Products from September 2011 to September 2015. Prior to joining MSCI, Mr. Pettit worked for Bloomberg L.P. from 1992 to 1999, most recently as Deputy Head of European Sales. He holds a Master of Arts degree in history from Cambridge

University and a Master of Science degree from the School of Foreign Service at Georgetown University.

Laurent Seyer

Mr. Seyer has served as the Global Head of Client Coverage since December 2014. Prior to joining MSCI, Mr. Seyer worked for AXA Investment Managers LLC in Paris, most recently as Global Head of the Client Group. Prior to that, he spent 24 years at *Societe Generale* in a number of leadership positions, including as CEO of Lyxor Asset Management from 2006 to 2012, and held senior roles in equity derivatives and structured product sales, mergers and acquisitions, corporate finance, and corporate development and business strategy. Mr. Seyer graduated from Institut d Etudes Politiques, where he studied law and economics.

Diana H. Tidd

Ms. Tidd has served as the Head of Index since February 2016 when her role was expanded from Head of Equity Index Products, a role she had held since October 2015. In such capacity, she is responsible for all aspects of product management and business strategy for the MSCI indexes. During her tenure at MSCI, Ms. Tidd has served in a variety of roles, including Head of Americas Client Coverage for six years. Prior to joining MSCI in 1999, Ms. Tidd worked at Brown Brothers Harriman & Co. in Boston for five years where she had roles in the Risk and Europe teams, before becoming Head of the Asia Team in the global custody division. She started her career in the Trust and Estates division of the Private Bank at Bankers Trust Co. Ms. Tidd serves on the board of Women in ETFs, as well as WAVE, West Africa Village Education. Ms. Tidd graduated with a Bachelor of Arts degree in Political Science from Colgate University and received a Master s Degree in Latin American Studies from Stanford University.

Peter J. Zangari

Mr. Zangari has served as the Head of Analytics since February 2015, which includes the formerly separately managed risk management analytics product line and portfolio management analytics product line, the latter of which Mr. Zangari had served as the Head of since August 2011. Prior to joining MSCI, Mr. Zangari held progressively senior-level positions at Goldman Sachs since 1998, most recently as the Head of Risk and a member of the leadership team for the Quantitative Investment Strategies (QIS) business of Goldman Sachs Asset Management (GSAM). Prior to joining QIS, Mr. Zangari was responsible for building out and managing GSAM s proprietary equity risk and attribution platform. Mr. Zangari has a Bachelor of Arts degree in economics from Fordham University and a PhD in economics, with a specialization in applied econometrics and computational statistics, from Rutgers University.

Available Information

Our corporate headquarters are located at 7 World Trade Center, 250 Greenwich Street, New York, New York, 10007, and our telephone number is (212) 804-3900. We maintain a website on the Internet at www.msci.com. The contents of our website are not a part of or incorporated by reference in this Annual Report on Form 10-K.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website that contains reports, proxy and information statements and other information that we file electronically with the SEC at www.sec.gov. We also make available free of charge, on or through our website, these reports, proxy statements and other information as soon as reasonably practicable following the time they are electronically filed with or furnished to the SEC. To access these, click on the SEC Filings link found on our Investor Relations homepage (http://ir.msci.com).

We also use our Investor Relations homepage and corporate Twitter account (@MSCI_Inc) as channels of distribution of Company information. The information we post through these channels may be deemed material.

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Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about us when you enroll your email address by visiting the Email Alert Subscription section of our Investor Relations homepage at http://ir.msci.com/alerts.cfm?. The contents of our website, including our Investor Relations homepage, and social media channels are not, however, a part of or incorporated by reference in this Annual Report on Form 10-K.

Item 1A. *Risk Factors*

You should carefully consider the following risks and all of the other information set forth in this Annual Report on Form 10-K. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially and adversely affected. You should read the section titled Forward-Looking Statements on page 1 for a description of the types of statements that are considered forward-looking statements, as well as the significance of such statements in the context of this Annual Report on Form 10-K.

Risks Related to Our Business

If we lose key outside suppliers of data and products or if the data or products of these suppliers have errors or are delayed, we may not be able to provide our clients with the information and products they desire.

Our ability to produce our products and develop new products is dependent upon the products of other suppliers, including certain data, software and service suppliers. Our Index, Analytics, Real Estate, and ESG products are dependent upon and of little value without updates from our data suppliers. Similarly, most of our software products are dependent upon and of little value without continuing access to historical and current data. Throughout our businesses, we utilize certain data provided by third party data sources in a variety of ways, including large volumes of data from certain stock exchanges around the world. As of December 31, 2015, there were over 200 such data suppliers. If the data from our suppliers has errors, is delayed, has design defects, is unavailable on acceptable terms or is not available at all, our business, financial condition or results of operations could be materially adversely affected.

Many of our data suppliers compete with one another and, in some cases, with us. For example, Standard & Poor s competes with us in index products, supplies index data that we distribute in our portfolio analytics software products and jointly developed and maintains GICS and GICS Direct with us. Some of our agreements with data suppliers allow them to cancel on short notice and we have not completed formal agreements with all of our data suppliers, such as certain stock exchanges. From time to time we receive notices from data suppliers, including stock exchanges, threatening to terminate the provision of their data to us, and some data suppliers, including at least one stock exchange, have terminated the provision of their data to us. Termination of provision of data by one or more of our significant data suppliers or exclusion from, or restricted use of, or litigation in connection with, a data provider s information could decrease the information available for us to use (and offer our clients) and may have a material adverse effect on our business, financial condition or results of operations.

Although data suppliers and stock exchanges typically benefit from providing broad access to their data, some of our competitors could enter into exclusive contracts with our data suppliers, including with certain stock exchanges. If our competitors enter into such exclusive contracts, we may be precluded from receiving certain data from these suppliers or restricted in our use of such data, which would give our competitors a competitive advantage. Such exclusive contracts could hinder our ability to provide our clients with the data they prefer, which could lead to a decrease in our client base and could have a material adverse effect on our business, financial condition or results of operations.

Some data suppliers have sought and others may seek to increase licensing fees for providing their content to us. If we are unable to negotiate acceptable licensing arrangements with these data suppliers or find alternative

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sources of equivalent content, we may be required to reduce our profit margins or experience a reduction in our market share.

Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees.

A portion of our revenues are from asset-based fees and these revenue streams are concentrated in some of our largest clients, including BlackRock, Inc. and its affiliates (BlackRock), and in our largest market, the U.S. Our clients, including our largest clients, may seek to negotiate a lower asset-based fee percentage for a variety of reasons. As the assets of index-linked investment products managed by our clients change, they may request to pay us lower asset-based fee percentages. Additionally, competition is intense and increasing rapidly among our clients that provide exchange traded funds (ETFs), among other products. The fees ETF providers charge their clients are one of the competitive differentiators for these ETF managers.

Moreover, clients that have licensed our indexes to serve as the basis of index-linked investment products are generally not required to continue to use our indexes and could elect to cease offering the product or could change the index to a non-MSCI index, and at least one large client has ceased using MSCI indexes as the basis for a significant number of its index funds in the past. In such instances, our asset-based fees could dramatically decrease, which could have a material adverse effect on our business, financial condition or results of operations. The ability of our licensees to cease using our indexes is generally true not just with respect to an index s use as the basis of an ETF but also with respect to its use as the basis of other financial products, including mutual funds and institutional funds. Finally, to the extent that an asset manager finds it beneficial to offer clients ETFs and institutional funds based on the same indexes, a shift away from use of an index as the basis of one type of product may lead to a corresponding shift away from the use of the same index as the basis of the other type of product.

If we are required to offer clients materially lower asset-based fee percentages with respect to investment products that generate fees based on the assets of such products or our largest clients cease to use our indexes, our revenues could be negatively impacted, which could have a material adverse effect on our business, financial condition or results of operations.

Our revenues attributable to asset-based fees may be affected by changes in the capital markets, particularly the equity capital markets. A decrease in our revenues attributable to these products could have a material adverse effect on our business, financial condition or results of operations.

Clients that use our indexes as the basis for certain index-linked investment products, such as ETFs and mutual funds, commonly pay us a fee based on the value of the investment product s assets. The value of an investment product s assets may increase or decrease in response to changes in market performance and cash inflows and outflows, which could impact our revenues. In addition, in many cases our fees can be affected by an increase or decrease in a product provider s total expense ratio (TER). In those cases, a reduction in the TER may negatively impact our revenues. Asset-based fees make up a significant portion of our revenues. They accounted for 18.4% and 17.8% of revenues for the fiscal years ended December 31, 2015 and 2014, respectively. These asset-based fees accounted for 48.3% and 47.6% of the revenues from our ten largest clients for the fiscal years ended December 31, 2015 and 2014, respectively. Volatile capital markets, as well as changing investment styles, among other factors, may influence an investor s decision to invest in and maintain an investment in an index-linked investment product. Accordingly, the value of assets linked to ETFs can fluctuate significantly over short periods of time. See *Our financial condition and results of operations may be negatively impacted to the extent that our current and potential future clients are affected by adverse changes in the financial markets* below.

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Our business relies heavily on electronic delivery systems, the Internet and our information technology platform, and any failures, disruptions or instability may materially adversely affect our ability to serve our clients.

We depend heavily on the capacity, reliability and security of our information technology platform, electronic delivery systems and its components, including our data centers, and the Internet. Heavy use of our electronic delivery systems and other factors such as loss of service from third parties, operational failures, sabotage, break-ins and similar disruptions from unauthorized tampering or hacking, human error, cyber-terrorism, natural disasters, power loss or computer viruses could impair our systems operations or interrupt their availability for extended periods of time. Our ability to effectively use the Internet may also be impaired due to infrastructure failures, service outages at third-party Internet providers or increased government regulation. If disruptions, failures or slowdowns occur with respect to our electronic delivery systems, the Internet or our information technology platform, our reputation and our ability to distribute our products effectively and to serve our clients, including those clients for whom we provide managed services or to whom we distribute index and constituent data on a real time basis that is used to manage funds that replicate MSCI indexes, may be materially adversely affected. For example, we have in recent years experienced denial-of-service attacks. While we have been able to defend our systems against such attacks in the past, there is no assurance that we will be able to do so successfully in the future. We have also experienced unanticipated interruption and delay in the performance and delivery of certain of our products after we migrated certain of our applications and infrastructure to new data centers and may experience such interruptions and delays in the future with respect to the migrations within existing data centers or to new data centers. In response to such issues, we have in the past and could again be required to provide service credits. We could also experience cancellations and reduced demand for our products and services, resulting in decreased revenues. We may also incur increased operating expenses to repair, replace or remediate systems, equipment or facilities, and to protect ourselves from and defend against such disruptions and attacks. Accordingly, any significant failures, disruptions or instability affecting our information technology platform, electronic delivery systems or the Internet may have a material adverse effect on our financial condition or results of operations and our insurance may not be adequate to compensate us for all losses, failures, or breaches.

Any failure to ensure and protect the confidentiality of client data could adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations.

Many of our products provide for the exchange of sensitive information with our clients through a variety of media, such as the Internet, software applications and dedicated transmission lines. We rely on a complex system of internal processes and software controls along with policies, procedures and training to protect client data that we receive in the ordinary course of business, including sensitive and confidential client data such as material non-public information and client portfolio data that may be provided to us or hosted on our systems, against unauthorized data access or disclosure. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in the implementation of our internal controls, policies or procedures, or if an employee purposely circumvents or violates our internal controls, policies or procedures, then unauthorized access to, or disclosure or misappropriation of, client data could occur. Such unauthorized access, disclosure or misappropriation may result in claims against us by our clients or regulatory inquiry or censure, which could, individually or in the aggregate, damage our reputation and/or have a material adverse effect on our business, financial condition or results of operations. If a failure of our internal controls, policies or procedures results in a security or data privacy breach, we could also incur increased operating expenses to remediate the problems caused by the breach and prevent future breaches, which could have a material adverse effect on our business, financial condition or results of operations. See *Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations Data Privacy Legislation* below.

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We have confidentiality policies in place regarding changes to the composition of our indexes and have implemented information barrier procedures to protect the confidentiality of the material, non-public information regarding changes to our equity indexes. If our confidentiality policies or information barrier procedures fail, our reputation could be damaged and our business, financial condition or results of operations could be materially adversely affected.

We change the composition of our indexes from time to time. We believe that, in some cases, the changes we make to our equity indexes can affect the prices of constituent securities as well as products based on our indexes. Our index clients rely on us to keep confidential material non-public information about changes to the future composition of an index and to protect against the misuse of that information until the change to the composition of the index is disclosed to clients. We have confidentiality policies in place and have implemented information barrier procedures to limit access to this information and to prevent the unauthorized disclosure and misuse of information regarding material non-public changes to the composition of our equity indexes. If our confidentiality policies or information barrier procedures fail or we are delayed in implementing such procedures as necessary with respect to a newly acquired business and an employee inadvertently discloses, or deliberately misuses, material non-public information about a change to one of our indexes, our reputation may suffer. Clients loss of trust and confidence in our confidentiality policies or information barrier policies and procedures could lead to a negative reputation throughout the investment community, which could have a material adverse effect on our business, financial condition or results of operations.

In addition, certain exchanges permit our clients to list ETFs or other financial products based on our equity indexes only if we provide a representation to the exchange that we have reasonable information barrier procedures in place to address the unauthorized disclosure and misuse of material, non-public information about changes to the composition of our equity indexes. If an exchange determines that our information barrier procedures are not sufficient, the exchange might refuse to list or might delist investment products based on our equity indexes, which may have a material adverse effect on our business, financial condition or results of operations.

Increased competition in our industry may cause price reductions or loss of market share, which may materially adversely affect our business, financial condition or results of operations.

We face competition across all markets for our products. Our competitors range in size from large companies with substantial resources to small, single-product businesses that are highly specialized. Our larger competitors may have access to more resources and may be able to achieve greater economies of scale, and our specialized competitors that are focused on a narrower product line may be more effective in devoting technical, marketing and financial resources to compete with us with respect to a particular product. Larger competitors may offer price incentives to expand their market share, and may also consolidate with one another or form joint ventures or other business arrangements, which could allow for a narrower pool of competitors that are better capitalized or that are able to gain a competitive advantage through synergies resulting from an expanded suite of products and services.

In addition, barriers to entry may be low in many of the markets for our products, including for single-purpose product companies. Recent developments including advances in public cloud computing and the increase in open source as well as proprietary software in specific areas, such as pricing, high volume computing, orchestration layers for services, and visualization, have increasingly allowed free or relatively inexpensive access to information sources, which has reduced barriers to entry even further. Low barriers to entry could lead to the emergence of new competitors; for example, more broker-dealers and data suppliers could begin developing their own proprietary risk analytics or indexes. See *Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and materially adversely affect our business, financial condition or results of operations* below.

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Financial and budgetary pressures affecting our clients, including those resulting from weak or volatile economic conditions, may lead certain clients to reduce their overall spending on our products, including by seeking products at a lower cost than what we are able to provide, by consolidating their spending with fewer providers or by self-sourcing certain of their informational needs. Accordingly, competitive pressures may result in fewer clients, fewer subscriptions or investment product licenses, price reductions, and increased operating costs, such as for marketing and product development, which could, individually or in the aggregate, result in lower revenue, gross margins and operating income. See *Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees* above and Part I, Item 1. Business Our Competition above.

To remain competitive and generate customer demand, we must successfully develop new products and product enhancements and effectively manage transitions and product integrations. Failure to do so could limit our ability to maintain or grow current revenues, which could have a material adverse effect on our business, financial condition or results of operations.

We operate in an industry that is characterized by rapid technological change and evolving industry standards. Due to the highly volatile and competitive nature of this industry and the impact of technological change on our products, we must continually introduce new products and services, enhance, including through integration of products within MSCI and with third-party platforms, existing products and services, and effectively generate customer demand for new and upgraded products and services. If, among other things, we fail to accurately predict or respond or adapt to evolving technologies and changing industry standards, if we fail to anticipate and meet the needs of our clients through the successful development of new products and services, if our new products and services are not attractive to our clients or cannot be integrated with third-party platforms, if our new products do not perform as well as anticipated, if the launch of new products and offering of new services is not timely, or if competitors in any business line introduce products, services, systems and processes that are more competitive than ours or that gain greater market acceptance, we could lose market share and clients to our competitors which could materially adversely affect our business, financial condition or results of operations.

We must make long-term investments and commit significant resources before knowing whether these investments will eventually result in products and services that satisfy our clients needs and generate revenues required to provide the desired results. For example, we have made, and need to continue to make, investments in our technology platform in order to provide competitive products and services to our clients. From time to time, we also incur costs to integrate existing products and platforms and transition clients to enhanced products and services, which also present execution risks and challenges. If we are unable to effectively manage transitions to new or enhanced products and services, our business, financial condition or results of operations could be materially adversely affected. See *If our products contain undetected errors or fail to perform properly due to defects, malfunctions or similar problems, it could have a material adverse effect on our business, financial condition or results of operations* below.

If we are unable to manage our operating costs as anticipated or our operating costs are higher than expected, our operating results may fluctuate significantly.

We may experience higher than expected operating costs, including increased personnel costs, occupancy costs, selling and marketing costs, investments in geographic expansion, communication costs, travel costs, software development costs, professional fees, costs related to information technology infrastructure and other costs. If operating costs exceed our expectations and cannot be adjusted accordingly, our anticipated profitability may be reduced and our anticipated results of operations and financial position may be materially adversely affected.

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A limited number of clients account for a material portion of our revenue. Cancellation of subscriptions or investment product licenses by any of these clients could have a material adverse effect on our business, financial condition or results of operations.

For the fiscal years ended December 31, 2015 and 2014, revenues from our ten largest clients accounted for 26.0% and 25.8% of our total revenues, respectively. Our revenue growth depends on our ability to obtain new clients and achieve and sustain a high level of renewal rates with respect to our existing subscription base. Failure of one or more of these subscription objectives could have a material adverse effect on our business, financial condition and operating results. For the fiscal year ended December 31, 2015, our largest client organization by revenue, BlackRock, accounted for 10.3% of our total revenues. For the fiscal years ended December 31, 2015 and 2014, 93.0% and 92.1%, respectively, of the revenue from BlackRock came from fees based on the assets in BlackRock s ETFs that are based on our indexes. If one or more of our largest clients cancels or reduces its subscriptions or investment product licenses and we are unsuccessful in replacing those subscriptions or licenses, our business, financial condition or results of operations could be materially adversely affected. See *Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees* above.

Our growth and profitability may not continue at the same rate as we have experienced in the past, which could have a material adverse effect on our business, financial condition or results of operations.

We have experienced significant growth since we began operations. There can be no assurance that we will be able to maintain the levels of growth and profitability that we have experienced in the past. Among other things, there can be no assurance that we will be as successful in our product development and marketing efforts as we have been in the past, or that such efforts will result in growth or profit margins comparable to those we have experienced in the past. See *To remain competitive and generate customer demand, we must successfully develop new products and product enhancements and effectively manage transitions and product integrations. Failure to do so could limit our ability to maintain or grow current revenues, which could have a material adverse effect on our business, financial condition or results of operations* above.

We are dependent on key personnel in our professional staff for their expertise. If we fail to attract or retain the necessary qualified personnel, including through our compensation programs, our business, financial condition or results of operations could be materially adversely affected.

The development, maintenance and support of our products and services are dependent upon the knowledge, experience and ability of our highly skilled, educated and trained employees. Accordingly, we believe that the success of our business depends to a significant extent upon the continued service of our executive officers and other key management, research, sales and marketing, operations, information technology and other technical personnel. Although we do not believe that we are overly dependent upon any individual employee, our management and other employees may terminate their employment at any time and the loss of any of our key employees could have a material adverse effect on our business, financial condition or results of operations.

During 2015 and 2016, our Board of Directors adopted significant changes to the Company s compensation approach and philosophy, including the implementation of a more formulaic approach to the payment of annual cash incentive compensation based on the achievement of certain financial metrics and long-term equity incentive compensation based on the achievement of share-based performance targets for certain awards to executive officers and managing directors. If our cash and equity incentive plans, including our new cash bonus plan and long-term equity incentive compensation program, do not adequately engage our key employees or are not competitive, we may lose key personnel. If we fail to attract, engage and retain the necessary qualified personnel, the quality of our products and services as well as our ability to support and retain our customers and achieve business objectives may suffer, which could have a material adverse effect on our business, financial condition or results of operations.

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Our expansion may place significant strain on our management and other resources.

We must plan and manage our expansion effectively to increase revenue and profitability. Our expansion in recent years, including in emerging market locations, has placed, and is expected to continue to place, significant demands on our personnel, management and other resources. We must continue to improve our operational, financial, management, legal and compliance processes and information systems to keep pace with the expansion of our business. There can also be no assurance that, if we continue to expand organically or by way of acquisitions, our management will be effective in attracting, engaging and retaining additional qualified personnel, including additional managers or key employees, developing effective leadership in all of our locations, expanding our physical facilities and information technology infrastructure, integrating acquired businesses or otherwise managing expansion. Additionally, new hires require significant training and may, in some cases, take a significant amount of time before becoming fully productive. Any failure to effectively manage expansion or to effectively manage the business could have a material adverse effect on our business, financial condition or results of operations. See *We are subject to unanticipated costs in connection with political, economic, legal, operational, franchise and other risks as a result of our international operations, which could materially adversely impact our businesses in many ways* below, *We are dependent on key personnel in our professional staff for their expertise. If we fail to attract necessary qualified personnel, including through our compensation programs, our business, financial condition or results of operations could be materially adversely affected* above, Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations below and Part I, Item 1. Business Company History above.

Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations.

The financial services industry is subject to extensive regulation at the federal and state levels, as well as by foreign governments. It is very difficult to predict the future impact of the broad and expanding legislative and regulatory requirements affecting our business and our clients businesses. If we fail to comply with any applicable laws, rules or regulations, we could be subject to fines or other penalties. Additionally, we may be required to comply with multiple and potentially conflicting laws, rules or regulations in various jurisdictions, which could, individually or in the aggregate, result in materially higher compliance costs to us. It is possible that laws or regulations could cause us to restrict or change the way we license our products or could impose additional costs on us. Some changes to the laws, rules and regulations applicable to our clients could impact their demand for our products and services. Likewise, to the extent that our clients become bound by certain laws, rules or regulations, we may incur higher costs in connection with modifying our products or processes at their request even in instances where we are not directly legally bound. There can be no assurance that changes in laws, rules or regulations will not have a material adverse effect on our business, financial condition or results of operations. See *Our financial condition and results of operations may be negatively impacted to the extent that our clients are affected by adverse changes in the financial markets* below.

Investment Advisers Act. Except with respect to certain products provided by MSCI ESG Research Inc. and certain of its subsidiaries, we believe that our products do not constitute or provide investment advice as contemplated by the Investment Advisers Act of 1940 (Advisers Act). Future developments in our product line or changes to current laws, rules or regulations could cause this status to change. The Advisers Act imposes fiduciary duties, recordkeeping and reporting requirements, disclosure requirements, limitations on agency and principal transactions between an adviser and advisory clients, as well as general anti-fraud prohibitions. It is possible that in addition to MSCI ESG Research and certain of its subsidiaries, other entities in our corporate family may be required to register as an investment adviser under the Advisers Act or comply with similar laws or requirements in states or foreign jurisdictions.

Dodd-Frank Act and Other Financial Regulations. As a result of the global financial crisis, the U.S. Congress undertook major financial reform which led to the enactment on July 21, 2010 of the Dodd-Frank Act. The Dodd-Frank Act could have a significant impact on many aspects of the way in which the financial services industry conducts business and has and will continue to impose substantial new regulation on, and regulatory oversight of, a wide variety of financial services institutions. Although many of the effects of the Dodd-Frank Act will be largely unknown until all of the regulations have been finalized and implemented, complying with its existing and future requirements could negatively impact the business, operations and financial viability of many of our clients which, in turn, could have a negative impact on our business, and results of operations.

We may also be materially adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets around the world. In addition, we may be materially adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

In some instances, in connection with the provision of data and services, we have incurred additional costs to implement processes and systems at the request of our clients to ensure that the products and services that they in turn provide to their clients using our data are compliant with the financial regulations to which our clients may be subject. To the extent that our clients are subject to increased regulation, we may be indirectly impacted and could incur increased costs that could have a negative impact on the profitability of certain products.

Data Privacy Legislation. Changes in laws, rules or regulations, or consumer environments relating to privacy or information collection and use may affect our ability to collect and use personal data. There could be a material adverse impact on our direct marketing due to the enactment of legislation or industry regulations, or simply a change in practices, arising from public concern over privacy issues. Restrictions could be placed upon the collection, management, aggregation, storage and use of information that is currently legally available, in which case our cost of collecting certain types of data could materially increase. It is also possible that we could be prohibited from collecting, storing or disseminating certain types of data, which could materially adversely affect our ability to meet our clients needs.

Potential and Proposed Regulation Affecting Benchmarks. On September 18, 2013, the European Commission issued its proposal for regulating indexes used as benchmarks in financial instruments and financial contracts and as benchmarks used to measure the performance of investment funds (COM (2013) 641/3 and 2013/0314 (COD)). Agreement in principle has been reached among the European Commission, Parliament and Council and we expect that the final regulation, when adopted and implemented, will govern many aspects of our equity and real estate index product lines, including, but not limited to, index development, calculation, dissemination, governance, maintenance and recordkeeping, as well as input data licensing, collection and dissemination. Because final guidance on the relevant technical standards has not yet been drafted by the European Securities and Markets Authority (ESMA), it is difficult to predict its full effect on our index business. Nevertheless, our compliance with any one or more substantive provisions of the final regulation, which we do not expect to be required until late 2017 or early 2018, could have a material adverse effect on our business practices and/or our ability to offer indexes in the European Union, including without limitation, by materially increasing our costs of doing business, diminishing our intellectual property rights, imposing constraints on our ability to meet contractual commitments to our data contributors, or causing our data contributors to refuse to contribute data to us at a reasonable cost or at all.

On October 20, 2011, the European Commission issued its proposal for MiFID/MiFIR 2 (COM (2011) 0652 and COM (2011) 0656). Agreement in principle has been reached among the European Commission, Parliament and Council, and we expect that the regulation when it becomes effective and when our compliance is required (expected in 2019), will, among other things, mandate that, where the value of a financial instrument is calculated by reference to a benchmark, a person with proprietary rights to the benchmark will be required to ensure that clearing entities and trading venues may license the benchmark and receive relevant price and data feeds and information regarding the composition, methodology and pricing of the benchmark for the purposes of clearing and trading. It is also expected that access to such licenses and information will have to be offered by the benchmark owner within three months of the request and on fair, reasonable and non-discriminatory terms that are no less favorable than the terms offered to other trading venues unless a different basis can be objectively justified. Because final guidance on the relevant technical standards has not yet been issued by ESMA, it is difficult to predict its full effect on our index business. In the event that compliance with this regulation leads to a material change in our business practices or our ability to offer our indexes, materially increases our cost of doing business or materially diminishes our intellectual property rights, it could have a material adverse effect on our index business.

On December 18, 2012, ESMA published guidelines on ETFs and other Undertakings for Collective Investment in Transferable Securities (UCITS) issues (ESMA/2012/832EN), which are updated from time to time by ESMA (Guidelines). The Guidelines limit the types of indexes that can be used as the basis of UCITS funds and require, among other things, index constituents, together with their respective weightings, to be made easily accessible free of charge, such as via the Internet, to investors and prospective investors on a delayed and periodic basis. The Guidelines became effective as of February 17, 2013 with respect to newly launched UCITS funds. They became effective for all UCITS funds on February 17, 2014. We have made available a client communication with respect to our policies as they relate to the Guidelines. To the extent that ESMA issues new guidance or different or new interpretations with respect to the Guidelines, complying with such guidance could have a negative impact on our business and results of operations, including a material negative impact on our licensing of index data and/or our indexes as the basis of ETFs and UCITS. Additionally, other jurisdictions outside of Europe have adopted, and others could adopt, similar concepts, proposals or regulations.

On July 17, 2013, the International Organization of Securities Commissions (IOSCO) published its final report on principles for financial benchmarks (IOSCO Principles). The IOSCO Principles cover conflicts of interest, benchmark quality and integrity, methodology requirements, procedures related to handling complaints, documentation requirements and audit reviews. The IOSCO Principles require benchmark administrators to publicly disclose whether they comply with the IOSCO Principles within 12 months of their initial publication, with such compliance subject to audit. On July 16, 2014, we announced our implementation of the IOSCO Principles and have posted our annual audit results on our website. Additionally, other jurisdictions could adopt similar principles or concepts, which could lead to a material change in our business practices or our ability to offer our indexes, materially increase our cost of doing business, materially diminish our intellectual property rights, materially impact our contractual commitments to our data contributors or cause our data contributors to refuse to contribute data to us at a reasonable cost or at all, any of which could have material adverse effect on our equity and real estate index product lines.

Our clients may become more self-sufficient, which may reduce demand for our products and materially adversely affect our business, financial condition or results of operations.

Our clients may develop internally certain functionality contained in the products they currently license from us. For example, some of our clients who currently license our risk data to analyze their portfolio risk may develop their own tools to collect data and assess risk, making our products unnecessary for them. Similarly, a number of our clients have obtained regulatory clearance to create indexes for use as the basis of ETFs that they manage. Additionally, in August 2011, BlackRock announced that it was seeking regulatory clearance to create indexes for use as the basis of ETFs that it would manage. To the extent that our clients become more self-sufficient, demand for our products may be reduced, which could have a material adverse effect on our business, financial condition or results of operations. A growing number of asset managers and investment banks, in

partnership with index providers that offer calculation agent services, or acting together with an industry group or association, have created or may create their own range of proprietary indexes, which they use to manage funds or as the basis of ETFs, structured products or OTC derivatives. See *A limited number of clients account for a material portion of our revenue. Cancellation of subscriptions or investment product licenses by any of these clients could have a material adverse effect on our business, financial condition or results of operations* above and *Increased competition in our industry may cause price reductions or loss of market share, which may materially adversely affect our business, financial condition or results of operations* above.

Legal protections for our intellectual property rights and other rights may not be sufficient or available to protect our competitive advantages. Third parties may infringe on our intellectual property rights, and third-party litigation may materially adversely affect our ability to protect our intellectual property rights.

We consider many aspects of our products and processes to be proprietary. We rely primarily on a combination of trade secret, patent, copyright and trademark rights, as well as contractual protections and technical measures, to protect our products and processes. Despite our efforts, third parties may still try to challenge, invalidate or circumvent our rights and protections. There is no guarantee that any trade secret, patent, copyright or trademark rights that we may obtain will protect our competitive advantages, nor is there any assurance that our competitors will not infringe upon our rights. As we have experienced, even if we attempt to protect our intellectual property rights through litigation, it may require considerable cost, time and resources to do so, and there is no guarantee that we will be successful. Furthermore, our competitors may also independently develop and patent or otherwise protect products and processes that are the same or similar to ours. In addition, the laws of certain foreign countries in which we operate do not protect our proprietary rights to the same extent as do the laws of the U.S. Also, some elements of our products and processes may not be subject to intellectual property protection.

Trademarks and Service Marks We have registered MSCI, Barra, FEA, InvestorForce, IPD and Risk as trademarks or service marks in the U.S. and in certain foreign countries. We have also registered other marks for certain products and services in the U.S. and in certain foreign countries. When we enter a new geographic market or introduce a new product brand, there can be no assurance that our existing trademark or service mark of choice will be available. Furthermore, the fact that we have registered trademarks is not an assurance that other companies may not use the same or similar names.

Patents We currently hold 23 U.S. and foreign patents. We currently have three U.S. patent applications pending. Patent applications can be extremely costly to process and defend. There can be no assurance that we will be issued any patents that we apply for or that any of the rights granted under any patent that we obtain will be sufficient to protect our competitive advantages.

Copyrights We believe our proprietary software and proprietary data are copyright protected. If a court were to determine that any of our proprietary software or proprietary data, such as our index level data, is not copyright protected, it could have a material adverse effect on our business, financial condition or results of operations.

Confidentiality and Trade Secrets Our license agreements limit our clients right to copy or disclose our proprietary software and data. It is possible, however, that a client might still make unauthorized copies of our proprietary software or data, which could have a material adverse effect on our business, financial condition or results of operations. For example, if a client who licensed a large volume of our proprietary historical data made that information publicly available, we might lose potential clients who could freely obtain a copy of the data. We also seek to protect our proprietary software and data through trade secret protection and through non-disclosure obligations with our employees. However, if an employee breaches his or her non-disclosure obligation and reveals a trade secret or other confidential information, we could lose the trade secret or confidentiality protection, which could have a material adverse effect on our business, financial condition or results of operations. Furthermore, it may be very difficult to ascertain if a former employee is inappropriately using or disclosing our confidential or proprietary information. We have investigated suspicions that former employees have used or disclosed our confidential or proprietary information, but we may not be able to determine with certainty whether misappropriation has occurred.

Likewise, we cannot be certain that we are aware or in the future will be aware of every instance in which this sort of behavior may occur. Additionally, the enforceability of our license and other agreements non-disclosure obligations and the availability of remedies to us in the event of a breach may vary due to the many different jurisdictions in which our clients and employees are located.

License Agreements Our products are generally made available to end users on a periodic subscription basis under a license agreement signed by the client. We also permit access to some data, such as certain index information, through the Internet under online licenses that are affirmatively acknowledged by the licensee or under terms of use. There can be no assurance that third parties will abide by the terms of our licenses or that all of our license agreements will be enforceable. See *We are dependent on the use of third-party software and data, and any reduction in third-party product quality or any failure by us to comply with our licensing requirements could have a material adverse effect on our business, financial condition or results of operations* below for risks associated with the use of intellectual property obtained from third parties.

Third-Party Litigation There have been a number of lawsuits in multiple jurisdictions, including in the U.S. and Germany, regarding whether issuers of index-linked investment products are required to obtain a license from the index owner or whether issuers may issue investment products based on a publicly-available index level data without obtaining permission from (or making payment to) the index owner. The outcome of these cases depends on a number of factors, including the governing law, the amount of information about the index available without a license and the other particular facts and circumstances of the cases. In some instances, the results of these cases are favorable to the index owner, as in a case originally filed in the Illinois state courts in 2006 involving the International Securities Exchange and its proposed use of the Dow Jones Industrial Average and the S&P 500 index. In other instances, the results have been unfavorable to the index owner, as in a 2009 case in German federal court ruling that the owner of an index trademark who publishes the index in a manner generally available to all market participants cannot prohibit, on the basis of German trademark law, a third party from referring to the index as a reference value in options issued by the third party if the trademark is used for informational and factual purposes and its use does not imply that a relationship exists with the trademark owner. If other courts or regulators or other governmental bodies in relevant jurisdictions determine that a license is not required to issue investment products linked to indexes, this could have a material adverse effect on our business, financial condition or results of operations. See *Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations* above. It might also lead to changes in current industry practices such that we would no longer make our index level data publicly available, such as via our website or news media, on a timely basis.

Third parties may claim we infringe upon their intellectual property rights. Such claims would likely be costly to defend, could require us to pay damages or limit our future use of certain technologies, which could have a material adverse effect on our business, financial condition or results of operations.

Third parties may claim we infringe upon their intellectual property rights. Businesses operating in the financial services sector, including our competitors and potential competitors, have increasingly pursued or may consider pursuing patent protection for their technologies and business methods. If any third parties were to obtain a patent on a relevant index methodology, risk model, software application or other relevant product or process, we could be sued for infringement. Furthermore, there is always a risk that third parties will sue us for infringement or misappropriation of other intellectual property rights, such as trademarks, copyrights or trade secrets. From time to time, such complaints are filed by or we receive such notices from others alleging intellectual property infringement or potential infringement. The number of these claims may grow.

Responding to intellectual property claims, regardless of merit, can consume valuable time, result in costly litigation or cause delays. We may be forced to settle such claims on unfavorable terms, and there can be no assurance that we would prevail in any litigation arising from such claims if such claims are not settled. We may be required to pay damages, to stop selling or using the affected products or applications or to enter into royalty and licensing agreements. There can be no assurance that any royalty or licensing agreements will be made, if at all, on terms that are commercially acceptable to us. From time to time we receive notices calling upon us to defend partners, clients, suppliers or distributors against such third-party claims under indemnification clauses in our contracts. If any of these risks materialize, the impact of claims of intellectual property infringement could have a material adverse effect on our business, financial condition or results of operations.

Our use of open source code could impose unanticipated delays or costs in deploying our products, or impose conditions or restrictions on our ability to commercialize our products or keep them confidential.

We rely on open source code to develop software and to incorporate it in our products, as well as to support our internal systems and infrastructure. The use of open source code may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Further, some open source licenses provide that if we combine our proprietary software with open source software in a certain manner, we could be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products with less development effort and time and ultimately put us at a competitive disadvantage. Additionally, the terms of many open source code licenses are ambiguous and have not been interpreted by U.S. courts. Accordingly, there are risks that there may be a failure in our procedures for controlling the usage of open source code or that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. In either event, we could be required to seek licenses from third parties on terms that are not commercially feasible in order to continue offering our products, to make generally available (in source code form) portions of our proprietary code, to re-engineer our products or systems, to discontinue the licensing of our products if re-engineering could not be accomplished on a timely or cost-effective basis, or to take other remedial action that could divert resources away from our development efforts. Any of these requirements could materially adversely affect our business, financial condition or results of operations.

We are dependent on the use of third-party software and data, and any reduction in third-party product quality or any failure by us to comply with our licensing requirements could have a material adverse effect on our business, financial condition or results of operations.

We rely on third-party software and data in connection with our product development and offerings. We depend on the ability and willingness of third-party software and data providers to deliver and support reliable products, enhance their current products, develop new products on a timely and cost-effective basis, and respond to emerging industry standards and other technological changes. The third-party software and data we use may become obsolete or incompatible with future versions of our products. We also monitor our use of third-party software and data to comply with applicable license requirements. Despite our efforts, our use of certain third-party software and data has been challenged in the past and there can be no assurance that such third parties may not challenge our use in the future, resulting in increased software or data acquisition costs, loss of rights and/or costly legal actions. Our business could be materially adversely affected if we are unable to timely or effectively replace the functionality provided by software or data that becomes unavailable or fails to operate effectively for any reason. In addition, our operating costs could increase if license fees for third-party software or data increase or the efforts to incorporate enhancements to third-party or other software or data are substantial. Some of these third-party suppliers are also our competitors, increasing the risks noted above. If any of these risks materialize, they could have a material adverse effect on our business, financial condition or results of operations.

If our products contain undetected errors or fail to perform properly due to defects, malfunctions or similar problems, it could have a material adverse effect on our business, financial condition or results of operations.

Products we develop or license, including our indexes, may contain undetected errors or defects despite testing. Such errors can exist at any point in a product s life cycle, but are frequently found after introduction of new products or enhancements to existing products. We continually introduce new methodologies and products, and new versions of our products. Despite internal testing and testing by current clients, our current and future products may contain serious defects or malfunctions. If we detect any errors before we release a product or publish a methodology, we might have to delay the product or index release for an extended period of time while we address the problem. We may not discover errors that affect our new or current products or enhancements until after they are deployed, and we may need to provide enhancements to correct such errors, and in certain cases it may be impracticable to correct such errors. If undetected errors exist in our products or methodologies, or if our products fail to perform properly due to defects, malfunctions or similar problems, it could result in harm to our reputation, lost sales, delays in commercial release, third party claims, contractual disputes, negative publicity, delays in or loss of market acceptance of our products, license terminations or renegotiations and/or unexpected expenses and diversion of resources to remedy or mitigate such errors. Additionally, any undetected errors, defects, malfunctions or similar problems in our products or methodologies could lead to significant failures, disruptions or slowdowns with respect to our product delivery to clients. The realization of any of these events could materially adversely affect our business, financial condition or results of operations. See *Our business relies heavily on electronic delivery systems, the Internet and our information technology platform, and any failures, disruptions or instability may materially adversely affect our ability to serve our clients* above and *We may become subject to liability based on the use of our products to support our clients investment processes* below.

Our business is dependent on our clients continued investment in equity securities as well as the measurement of the performance of our clients equity investments against equity benchmarks. If investment in equity markets declines, if our clients significantly reduce their investments in equity securities, or if they discontinue the use of equity benchmarks to measure performance, our business, financial condition or results of operations could be materially adversely affected.

A significant portion of our revenues comes from our products that are focused on various aspects of managing or monitoring equity portfolios. Volatility in equity markets over an extended period or other factors may lead to an overall decline in the viability of such markets, which could reduce new business opportunities for us and our clients. To the extent our clients significantly deemphasize equity securities in their investment strategies, the demand for our equity products would likely decrease, which could have a material adverse effect on our business, financial condition or results of operations. See *Our revenues attributable to asset-based fees may be affected by changes in the capital markets, particularly the equity capital markets. A decrease in our revenues attributable to these products could have a material adverse effect on our business, financial condition or results of operations* above.

Additionally, our equity index products serve as equity benchmarks against which our clients can measure the performance of their investments. If clients decide to measure performance on an absolute return basis instead of against an equity benchmark, the demand for our equity indexes could decrease. Any such decrease in demand for our equity index products could have a material adverse effect on our business, financial condition or results of operations.

Cancellation of subscriptions or investment product licenses or renegotiation of terms by a significant number of clients could have a material adverse effect on our business, financial condition or results of operations.

Our principal business model is to license annual, recurring subscriptions to our products for use at specified locations and often by a given number of users or for a certain volume of products or services. For most of our

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products, our clients may cancel their subscriptions or investment product licenses at the end of the current term. While we believe the annual, recurring subscription model supports our marketing efforts by allowing clients to subscribe without the requirement of a long-term commitment, the cancellation of subscriptions or investment product licenses by a significant number of clients at any given time may have a material adverse effect on our business, financial condition or results of operations.

Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and materially adversely affect our business, financial condition or results of operations.

In recent years, the availability of free or relatively inexpensive information has increased, particularly through advances in public cloud computing and the increase in open source as well as proprietary software, and this trend may continue. The availability of free or relatively inexpensive information may reduce demand for our products. Weak economic conditions can also result in clients seeking to utilize lower-cost information that is available from alternative sources. To the extent that our clients choose to use these sources for their information needs, our business, financial condition or results of operations may be materially adversely affected. See *Changes in government regulations, including the implementation of new or pending financial regulations, could materially adversely affect our business, financial condition or results of operations Potential and Proposed Regulation Affecting Benchmarks* above.

Our financial condition and results of operations may be negatively impacted to the extent that our current and potential future clients are affected by adverse changes in the financial markets.

Unfavorable changes in global or domestic financial market conditions may negatively impact the performance and financial viability of our current and potential clients, the majority of which are in the financial services industry. As a result, adverse financial market conditions could result in reduced demand for our products and services due to, among other things, the closure or consolidation of our clients, a decrease in the number of fund launches, including hedge fund launches or a shift in our clients investment patterns; the inability of our customers to pay for products or services, including forgoing products or services, delaying payment or underpaying; prolonged selling and renewal cycles; and increased reserves for doubtful accounts and write-offs of accounts receivable.

If we are unable to successfully identify, execute and realize synergies from acquisitions, or if we experience integration, financing, or other risks resulting from our acquisitions, our financial results may be materially adversely affected.

An element of our growth strategy is growth through acquisitions. As we continue pursuing selective acquisitions to support our growth strategy, we seek to be a disciplined acquirer, and there can be no assurance that we will be able to identify suitable candidates for successful acquisition at acceptable prices. In addition, our ability to achieve the expected returns and synergies from our past and future acquisitions depends in part upon our ability to effectively integrate the offerings, technology, sales, administrative functions and personnel of these businesses into our business. We cannot assure you that we will be successful in integrating acquired businesses or that our acquired businesses will perform at the levels we anticipate. In addition, our past and future acquisitions may subject us to unanticipated risks or liabilities or disrupt our operations. Any acquisition could present a number of risks, including:

- incorrect assumptions regarding the future results of acquired operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring operations or assets;

failure to integrate the operations or management of any acquired operations or assets successfully and on a timely and cost effective basis;

failure to achieve assumed synergies;

insufficient knowledge of the operations and markets of acquired businesses, including where the acquired company operates in many countries and in markets with which we have limited experience;

- increased debt, which may be incurred under terms less favorable than those associated with our current debt and which may, among other things, reduce our free cash flow and increase our risk of default;

- dilution of our common stock;

- loss of key personnel;

- diversion of management s attention from existing operations or other priorities; and

- inability to secure, on terms we find acceptable, sufficient financing that may be required for any such acquisition or investment.

In the event that we experience a high level of acquisition-related activity within a limited period of time, the possibility of occurrence of these risks would likely increase for that period. In addition, if we are unsuccessful in completing acquisitions of other businesses, operations or assets or if such opportunities for expansion do not arise, our future growth, business, financial condition or results of operations could be materially adversely affected.

Our revenues, expenses, assets and liabilities are subject to foreign currency exchange rate fluctuation risk.

We are subject to foreign currency exchange rate fluctuation risk. Exchange rate movements can impact the U.S. dollar reported value of our revenues, expenses, assets and liabilities denominated in non-U.S. dollar currencies or where the currency of such items is different than the functional currency of the entity where these items were recorded.

For all operations outside the U.S. where the Company has designated the local non-U.S. dollar currency as the functional currency, revenue and expenses are translated using average monthly exchange rates and assets and liabilities are translated into U.S. dollars using month-end exchange rates. For these operations, currency translation adjustments arising from a change in the rate of exchange between the functional currency and the U.S. dollar are accumulated in a separate component of shareholders equity. In addition, transaction gains and losses arising from a change in exchange rates for transactions denominated in a currency other than the functional currency of the entity are reflected in non-operating Other expense (income), net in our Consolidated Statement of Income.

We generally invoice our clients in U.S. dollars; however, we invoice a portion of our clients in Euros, British pounds sterling, Japanese yen and a limited number of other non-U.S. dollar currencies. For the years ended December 31, 2015 and 2014, 17.8% and 20.2%, respectively, of our revenues are subject to foreign currency exchange rate risk and primarily includes clients billed in foreign currency as well as U.S. dollar exposures on non-U.S. dollar foreign operating entities. Of the 17.8% of non-U.S dollar exposure for the year ended December 31, 2015, 37.0% was in British pounds sterling, 35.8% was in Euros and 21.6% was in Japanese yen. Of the 20.2% of non-U.S dollar exposure for the year ended December 31, 2014, 38.3% was in Euros, 34.0% was in British pounds sterling and 21.7% was in Japanese yen.

Revenues from index-linked investment products represented 18.4% and 17.8% of operating revenues for the years ended December 31, 2015 and 2014, respectively. While a substantial portion of our fees for index-linked investment products are invoiced in U.S. dollars, the fees are based on the investment product s assets, of which two-thirds are invested in securities denominated in currencies other than the U.S. dollar. Accordingly, declines in such other currencies against the U.S. dollar will decrease the fees payable to us under such licenses. In addition, declines in such currencies against the U.S. dollar could impact the attractiveness of such investment products resulting in net fund outflows, which would further reduce the fees payable under such licenses.

We are exposed to additional foreign currency risk in certain of our operating costs. Approximately 41.3% and 43.1% of our operating expenses, including operating expense attributable to income (loss) from discontinued operations, net of income taxes, for the years ended December 31, 2015 and 2014, respectively, were denominated in foreign currencies, the significant majority of which were denominated in British pounds sterling, Indian rupees, Swiss francs, Euros, Hungarian forints, Hong Kong dollars, Chinese yuan and Mexican pesos. Expenses incurred in foreign currency may increase as we expand our business outside the U.S.

We have certain monetary assets and liabilities denominated in currencies other than local functional amounts and when these balances were remeasured into their local functional currency, either a gain or a loss resulted from the change of the value of the functional currency as compared to the originating currencies. We manage foreign currency exchange rate risk, in part, through the use of derivative financial instruments comprised principally of forward contracts on foreign currency which are not designated as hedging instruments for accounting purposes. The objective of the derivative instruments is to minimize the income statement impact associated with amounts denominated in certain foreign currencies. We recognized total foreign currency exchange losses of $2.2 million and $3.0 million for the years ended December 31, 2015 and 2014, respectively. Although we believe that our guidelines and policies are reasonable and prudent, any hedging instruments that we may enter into in the future may not be successful, resulting in an adverse impact on our results of operations.

To the extent that our international activities recorded in local currencies increase or decrease in the future, our exposure to fluctuations in currency exchange rates may correspondingly increase and could have a material adverse effect on our business, financial condition or results of operations.

We may become subject to liability based on the use of our products to support our clients investment processes.

Our products support the investment processes of our clients, which relate to, in the aggregate, trillions of dollars in assets. Use of our products as part of the investment process creates the risk that our clients, or the parties whose assets are managed by our clients, may pursue claims against us for very significant dollar amounts based on what may be alleged to be even a small error in certain of our products. Our client agreements have provisions designed to limit our exposure to potential liability claims brought by our clients or third parties based on the use of our products or failure to provide services under our client contracts. However, these provisions do not always eliminate liability entirely and may have certain exceptions that could result in the provision of credits, contractual penalties and adverse monetary judgments, or be invalidated by unfavorable judicial decisions or by federal, state, foreign or local laws.

Claims against us, even if the outcome were to be ultimately favorable to us, would involve a significant commitment of our management, personnel, financial and other resources and could have a negative impact on our reputation or pose a significant disruption to our normal business operations. In addition, the duration or outcome of such claims and lawsuits is difficult if not impossible to predict, which could further exacerbate the adverse effect they may have on our business operations.

Our indebtedness could materially adversely affect our business, financial condition or results of operations.

The Company has issued an aggregate principal amount of $1.6 billion in senior unsecured notes in two discrete private offerings of $800.0 million each. On November 20, 2014, we completed a private offering of $800.0 million aggregate principal amount of 5.250% Senior Notes due 2024 (the 2024 Senior Notes) and entered into a new $200.0 million senior unsecured revolving credit agreement (our 2014 Revolving Credit Agreement). We used the net proceeds from the offering of the 2024 Senior Notes, together with cash on hand, to prepay in full the $794.8 million of outstanding indebtedness under our amended and restated senior secured term loan facility. On August 13, 2015, the Company completed its second private offering of $800.0 million aggregate principal amount of 5.750% Senior Notes due 2025 (the 2025 Senior Notes, and together with the 2024 Senior Notes, the Senior Notes). The Company intends to use the net proceeds from the offering of the

2025 Senior Notes for general corporate purposes, including, without limitation, previously announced repurchases of our common stock. See Part II, Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources for additional information regarding our 2014 Revolving Credit Agreement and the Senior Notes.

As of December 31, 2015, we had $1.6 billion of outstanding indebtedness under the Senior Notes and $200.0 million of undrawn aggregate commitments under our 2014 Revolving Credit Agreement, which includes $25.0 million for the issuance of letters of credit. Any borrowings under our 2014 Revolving Credit Agreement may be voluntarily prepaid and reborrowed. However, the undrawn portion of the aggregate commitments is subject to an unused commitment fee, which, upon specified increases in leverage, will rise by the applicable margin (as defined below).

The Senior Notes and our 2014 Revolving Credit Agreement are fully and unconditionally, and jointly and severally, guaranteed by our direct or indirect wholly-owned domestic subsidiaries that account for more than 5% of our and our subsidiaries consolidated assets, other than certain excluded subsidiaries (the subsidiary guarantors). Any amounts due under our 2014 Revolving Credit Agreement would be our and the subsidiary guarantors senior unsecured obligations and rank equally with the Senior Notes and any of our other unsecured, unsubordinated debt, senior to any of our subordinated debt and effectively subordinated to our secured debt to the extent of the assets securing such debt. Our 2014 Revolving Credit Agreement and the indentures dated as of November 20, 2014 and August 13, 2015, governing our Senior Notes, respectively (together, the Indentures governing our Senior Notes), among us, each of the subsidiary guarantors, and Wells Fargo Bank, National Association, as trustee, contain restrictive covenants that limit our ability and our existing and future subsidiaries abilities to, among other things, incur liens; incur additional indebtedness; make investments; make acquisitions, merge, dissolve, liquidate, consolidate with or into another person; sell, transfer or dispose of assets; pay dividends or other distributions in respect of our capital stock; change the nature of our business; enter into any transactions with affiliates other than on an arm s length basis; and prepay, redeem or repurchase debt. In addition, the Indentures governing our Senior Notes restrict our non-guarantor subsidiaries ability to create, assume, incur or guarantee additional indebtedness without such non-guarantor subsidiaries guaranteeing the Senior Notes on a *pari passu* basis.

Our 2014 Revolving Credit Agreement also requires us to comply with the following two financial ratio maintenance covenants, which are tested at least quarterly on a rolling four-quarter basis: (i) our maximum consolidated leverage ratio must not exceed 3.75:1.00 and (ii) our minimum consolidated interest coverage ratio must be at least 4.00:1.00. Under the terms of our 2014 Revolving Credit Agreement, certain increases (or decreases) in our consolidated leverage ratio may result in an increase (or decrease) in the fees applicable to (i) outstanding borrowings under such facility and (ii) undrawn commitments under such facility, in each case, in a predetermined percentage amount (the applicable margin). If we experience, as of a scheduled quarterly test date, an increase in our consolidated leverage ratio above a threshold amount specified in our 2014 Revolving Credit Agreement, the interest rates on our outstanding borrowings and/or the fee rate on our unused commitments will rise by the applicable margin. Consequently, any increase in our consolidated leverage ratio could result in higher debt service costs under such facility, even if we do not have borrowings outstanding under such facility.

On August 13, 2015, the Company completed the offering of the 2025 Senior Notes, which caused our Consolidated Leverage Ratio to increase to 3.08:1.00 as of December 31, 2015. As a result of our increase in leverage, we are currently subject to the highest applicable margin provided for under our 2014 Revolving Credit Agreement, which has increased the rate on our unused commitments to 0.35%.

In addition, our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes contain certain affirmative covenants. Any of these restrictions may interfere with our ability to obtain financings and to engage in business activities, which could have a material adverse effect on our business, financial condition or results of operations. See *A change in our credit ratings could materially adversely affect our financial condition* below.

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If we incur substantial additional indebtedness, the risks described above could be further exacerbated.

We may need to incur additional indebtedness, including secured indebtedness, in the future in the ordinary course of business. The terms of our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes restrict, but do not completely prohibit, us from doing so. Our 2014 Revolving Credit Agreement provides for an incremental facility that allows us to increase aggregate commitments by an additional $200.0 million under certain circumstances. In addition, the Indentures governing our Senior Notes allows us to issue additional Senior Notes under certain circumstances. Accordingly, we may be able to incur substantial additional debt from time to time under our existing debt agreements and otherwise, to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our level of indebtedness could intensify. Specifically, a high level of indebtedness could, among other things:

- require us to dedicate a substantial portion of our cash flows from operations or proceeds of any equity issuance or additional debt incurrence to payments on our indebtedness, reducing the availability of our cash flow to fund working capital, capital expenditures, dividend payments, development activity, acquisitions and other general corporate purposes;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business or the markets in which we operate;
- make us more vulnerable to increases in interest rates, as borrowings under our 2014 Revolving Credit Agreement are at variable rates;
- limit our ability to obtain additional financing in the future for working capital or other purposes, such as raising the funds necessary to repurchase all of the Senior Notes tendered to us upon the occurrence of specified changes of control in our ownership;
- increase our interest expense;
- make it difficult for us to optimally capitalize and manage the cash flow for our business; and
- place us at a competitive disadvantage compared to our competitors that have less indebtedness.

If we are unable to comply with the restrictions and covenants in our debt agreements, there could be a default under the terms of such agreements, which could result in an acceleration of repayment.

If we are unable to comply with the restrictions and covenants in our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes, there could be a default under the terms of these debt agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control including prevailing economic, financial and industry conditions. As a result, there can be no assurance that we will be able to comply with these restrictions and covenants or meet such financial ratios and tests, and any such default under our debt agreements could have a material adverse effect on our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities.

Additionally, if certain events of default occur, continue or remain uncured under our debt agreements, we are required to repurchase, redeem, repay or prepay, as the case may be, the debt under such agreement prior to maturity and/or such debt could become accelerated and immediately due and payable. For example, upon the occurrence of specified changes of control in our ownership, the holders of the Senior Notes have the right to compel us to repurchase all or part of the 2024 Senior Notes or 2025 Senior Notes, as applicable, in cash at a price equal to 101.0% of the aggregate principal amount to be repurchased plus accrued interest. Additionally, the holders of the 2024 Senior Notes or 2025 Senior Notes may, in connection with certain events of default, accelerate the principal amount of the 2024 Senior Notes or 2025 Senior Notes, as applicable, together with accrued and unpaid interest, and declare the same to be due and payable after giving the required notice.

Likewise, under our 2014 Revolving Credit Agreement, the lenders may, in connection with certain events of default, elect to terminate borrowing commitments and declare all outstanding borrowings, together with accrued and unpaid interest and other fees, to be due and payable.

Our debt agreements also contain cross-default or cross-acceleration provisions, pursuant to which a default is deemed to have occurred under such agreement if a default or acceleration occurs under another debt agreement. For example, our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes contain cross-default provisions relating to nonpayment by us or any of our subsidiaries in connection with debt aggregating $50.0 million or more (subject to certain cure periods). If any of the above events should occur, we and our subsidiaries may not have sufficient assets to repay in full all of our outstanding indebtedness. Additionally, we may not be able to amend our debt agreements or obtain needed waivers on satisfactory terms.

To service our indebtedness, we will require a significant amount of cash. However, our ability to generate cash depends on many factors beyond our control. If we are unable to generate a sufficient amount of cash, our financial condition and results of operations could be negatively impacted.

Our ability to make payments on our indebtedness and to fund planned capital expenditures depends on our ability to generate and access cash in the future, which, in turn, is subject to general economic, financial, competitive, regulatory and other factors, many of which are beyond our control. We cannot assure you that we will maintain cash flows sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. Our business may not generate sufficient cash flow from operations and we may not have available to us future borrowings in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. In these circumstances, we may need to refinance all or a portion of our indebtedness on or before maturity. However, we may not be able to secure additional financing on terms favorable or acceptable to us or at all. If we cannot refinance or otherwise pay our obligations as they mature and fund our liquidity needs, our business, financial condition, results of operations, cash flows, liquidity, ability to obtain financing and ability to compete in our industry could be materially adversely affected.

Absent sufficient cash flow and the ability to refinance, we could also be forced to sell assets to make up for any shortfall in our payment obligations. However, the terms of our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes limit our and our subsidiaries ability to sell assets and also restrict the use of proceeds from such a sale. Accordingly, we may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations on our indebtedness.

Increased costs of financing, a reduction in the availability of short-term and long-term funding and access to capital, fluctuations in the levels of interest rates and inflation, could materially adversely affect our liquidity, operating expenses or results of operations.

At December 31, 2015, we had no borrowings outstanding under our 2014 Revolving Credit Agreement and all of our outstanding long-term debt was subject to a fixed interest rate. Adverse conditions in the domestic and global financial markets could, however, increase our costs for additional financing and negatively affect our ability to refinance, repurchase, redeem, repay or prepay, as the case may be, our debt at or prior to maturity, raise capital or fund other types of obligations. Our access to capital is also impacted by changes in interest rates and inflation, which could restrict the availability to us of short-term and long-term funding. Recent interest rates in the U.S. have been at historically low levels, and increases in these rates could increase our interest expense and reduce our funds available for operations and other purposes with respect to newly incurred debt, or borrowings, if any, under our 2014 Revolving Credit Agreement. Additionally, any downgrades to our credit rating or outlook may increase the cost, and reduce the availability, of financing. See *A change in our credit ratings could materially adversely affect our financial* *condition* below.

If we borrow under our 2014 Revolving Credit Agreement, such indebtedness would bear interest at fluctuating interest rates, primarily based on the London Interbank Offered Rate (LIBOR) for deposits of U.S.

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dollars. LIBOR tends to fluctuate based on general economic conditions, general interest rates, Federal Reserve rates and the supply of and demand for credit in the London interbank market. Increases in the interest rate generally, and particularly when coupled with any significant variable rate indebtedness, could materially adversely impact our interest expenses. To the extent we borrow under our 2014 Revolving Credit Agreement, we are not required to enter into interest rate swaps to hedge such indebtedness. If we decide not to enter into hedges on such indebtedness, our interest expense on such indebtedness will fluctuate based on LIBOR or other variable interest rates. Consequently, we may have difficulties servicing such unhedged indebtedness and funding our other fixed costs, and our available cash flow for general corporate requirements may be materially adversely affected.

If we do enter into interest rate swap agreements, developing an effective strategy for movements in interest rates is complex, and no strategy can completely insulate us from risks associated with such fluctuations. In addition, the counterparty to a derivative instrument could default on its obligation thereby exposing us to credit risk. Further, we may have to repay certain costs, such as transaction fees or brokerage costs, if a derivative instrument is terminated by us. Finally, our interest rate risk management activities could expose us to substantial losses if interest rates move materially differently from our expectations. As a result, our interest rate hedging activities may not effectively manage our interest rate sensitivity or have the desired beneficial impact on our financial condition or results of operations.

A change in our credit ratings could materially adversely affect our financial condition.

Our credit ratings are not recommendations to buy, sell or hold any of our common stock or outstanding debt. Our outstanding debt under the Senior Notes, which amounts to an aggregate principal amount of approximately $1.6 billion, currently has a non-investment grade rating. Any rating assigned to such debt is subject to ongoing evaluation by the credit rating agencies and could be lowered or withdrawn entirely at any time by such agency if, in the agency s judgment, future circumstances relating to the basis of the rating so warrant. Such future circumstances include, but are not limited to, adverse changes to our results of operations, financial condition or cash flows, or revisions to our corporate strategy pertaining to capitalization or leverage. For example, on July 28, 2015, the Board of Directors authorized corporate action that led to a change in the Company s target leverage and interest expense, allowing for the issuance of our 2025 Senior Notes on August 13, 2015. Following the Board of Directors authorization, one of the ratings agencies described the increase as substantially higher than current leverage levels and as a result downgraded our credit rating. This recent downgrade, and any further downgrade, could adversely affect the amount of capital we can access, as well as the terms of any financing we obtain.

In addition, our debt covenants contain certain obligations that are triggered by a change in our credit rating. The Senior Notes contain covenants that require the Company to offer to repurchase the 2024 Senior Notes or 2025 Senior Notes, as applicable, in cash at a price equal to 101.0% of their par value, in the event of a change of control of the Company or disposition of substantially all of the Company s assets. The Company is obligated to make such repurchase offer to noteholders if the following two conditions are met at the time of, or as a result of, such change of control or asset sale transaction: (i) the Senior Notes are rated below investment grade by each rating agency that rates the Senior Notes and (ii) the Senior Notes are downgraded by any rating agency.

Any adverse change in our credit rating could have a negative effect on our liquidity and future growth through transactions in which we rely on the ability to receive debt capital at an advantageous cost and on favorable terms. Accordingly, actual or anticipated changes or downgrades to or withdrawal of our credit ratings, including any announcement that our ratings are under review or have been assigned a negative outlook, could have a material adverse effect on our financial condition, results of operations and cash flows, and on the market value of our common stock and outstanding debt.

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Certain events could lead to interruptions in our operations, which may materially adversely affect our business, financial condition or results of operations.

Our operations depend on our ability to seamlessly provide clients with products and customer service. We must protect our equipment and the information stored in our computer-based networks and databases against fires, floods, earthquakes and other natural disasters, as well as power losses, computer and telecommunications failures, technological breakdowns, Internet failures, computer viruses, unauthorized intrusions, terrorist attacks on sites where we are located, and other events. We also depend on accessible physical office facilities and hardware for our employees in order for our operations to function properly. There can be no assurance that the business continuity plans that we have sufficiently cover or reduce the risk of interruption in our operations caused by these events. Additionally, we may incur significant data recovery costs following any such event, and the scope of recovery will depend on, among other things, the effectiveness of our business continuity plans in mitigating the risks associated with the particular event that has occurred.

Such events could also have a material adverse effect on our clients. For example, immediately after the terrorist attacks on September 11, 2001, our clients who were located in the World Trade Center area were concentrating on disaster recovery rather than licensing additional products. In addition, delivery of some of the data we receive from New York-based suppliers was delayed. The grounding of air transportation impaired our ability to conduct sales visits and other meetings at client sites. During the resulting temporary closure of the U.S. stock markets, some of the data updates supporting our products were interrupted. These types of interruptions could affect our ability to sell and deliver products and could have a material adverse effect on our business, financial condition or results of operations.

Although we currently estimate that the total cost of ongoing development and implementation of our business continuity plans will not have a material impact on our business, financial condition or results of operations, we cannot provide any assurance that our estimates regarding the timing and cost of implementing these plans will be accurate. Unexpected or higher than estimated costs could have a material adverse effect on our financial condition or results of operations.

We are subject to unanticipated costs in connection with political, economic, legal, operational, franchise and other risks as a result of our international operations, which could materially adversely impact our businesses in many ways.

As we continue to expand our international operations, we increase our exposure to political, economic, legal, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible capital controls, exchange controls, customs duties, sanctions compliance, tax penalties, levies or assessments, broad regulatory discretion and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability in certain of the countries or regions in which we conduct operations. A significant number of our employees are located in offices outside of the U.S. and a number of those employees are located in emerging market locations. For example, as of December 31, 2015, 52.8% of our employees were located in emerging market locations. The cost of establishing and maintaining these offices, including costs related to information technology infrastructure, as well as the costs of attracting, training and retaining employees in these locations may be higher, or may increase at a faster rate, than we anticipate, which could have a material adverse effect on our business, financial condition or results of operations.

Additionally, the laws and regulations in many countries applicable to our business are uncertain and evolving, and it may be difficult for us to determine the exact requirements of local laws in every market. Our inability to maintain consistent internal policies and procedures across our offices and remain in compliance with local laws in a particular market could have a significant and negative effect not only on our businesses in that market but also on our reputation generally.

In order to penetrate markets outside of the U.S., we must provide a suite of products and services that fit the needs of the local market. Demand for our products and services is still nascent in many parts of the world.

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Many countries have not fully developed laws and regulations regarding risk management and ESG and, in many cases, institutions in these countries have not developed widely accepted best practices regarding the same. If we do not appropriately tailor our products and services to fit the needs of the local market, we may be unable to effectively grow sales of our products and services outside of the U.S. There can be no assurances that demand for our products and services will develop in these countries.

We may be exposed to liabilities under applicable anti-corruption laws and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to various anti-corruption laws that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. We have business in countries and regions which are less developed and are generally recognized as potentially more corrupt business environments. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of various anti-corruption laws including the Foreign Corrupt Practices Act of 1977, as amended (the FCPA) and the U.K. Bribery Act 2010. We have implemented safeguards and policies to discourage these practices by our employees and agents. However, our existing safeguards and any future improvements may prove to be less than effective and our employees or agents may engage in conduct for which we might be held responsible. If employees violate our policies or we fail to maintain adequate record-keeping and internal accounting practices to accurately record our transactions we may be subject to regulatory sanctions. Violations of the FCPA or other anti-corruption laws may result in severe criminal or civil sanctions and penalties, and we may be subject to other liabilities which could have a material adverse effect on our business, results of operations and financial condition.

Our brand and reputation are key assets and competitive advantages of our Company and our business may be affected by how we are perceived in the marketplace.

Our ability to attract and retain customers is affected by external perceptions of our brand and reputation. Negative perceptions or publicity could damage our reputation with customers, prospects and the public generally, which could negatively impact, among other things, our ability to attract and retain customers, employees and suppliers, as well as suitable candidates for acquisition or other combinations. See *Any failure to ensure and protect the confidentiality of client data could adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations* above, *We have confidentiality policies in place regarding changes to the composition of our equity indexes and have implemented information barrier procedures to protect the confidentiality of the material, non-public information regarding changes to our equity indexes. If our confidentiality policies or information barrier procedures fail, our reputation could be damaged and our business, financial condition or results of operations could be materially adversely affected* above and *If our products contain undetected errors or fail to perform properly due to defects, malfunctions or similar problems, it could have a material adverse effect on our business, financial condition or results of operation*s above.

We may have exposure to additional tax liabilities in various jurisdictions.

As a global corporation, we are subject to income taxes as well as non-income or indirect taxes, in the U.S. and various foreign jurisdictions. Significant judgment is required in determining our global provision for income taxes and other tax liabilities. In the ordinary course of a global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities. Changes in domestic and international tax laws could negatively impact our overall effective tax rate.

Although we believe that our tax provisions are reasonable, there can be no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax

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provisions and accruals. To the extent we are required to pay amounts in excess of our reserves, such differences could have a material adverse effect on our Consolidated Statement of Income for a particular future period. In addition, an unfavorable tax settlement could require use of our cash and result in an increase in our effective tax rate in the period in which such resolution occurs.

We are also subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in the U.S. and various foreign jurisdictions. We are regularly under audit by tax authorities with respect to these non-income taxes and may have exposure to additional non-income tax liabilities.

Our investments in recorded goodwill and other intangible assets as a result of acquisitions, including goodwill and other intangible assets resulting from our acquisitions, could be impaired as a result of future business conditions, requiring us to record substantial write-downs that would reduce our operating income.

We have goodwill and intangible assets of $1,957.1 million recorded on our balance sheet as of December 31, 2015. We evaluate the recoverability of recorded goodwill amounts and intangible assets annually, or when evidence of potential impairment exists. The annual impairment test is based on several factors requiring management s judgment. Changes in fair market valuations and our operating performance or business conditions, in general, could result in future impairments of goodwill which could materially adversely affect our results of operations. In addition, if we are not successful in achieving anticipated operating efficiencies associated with acquisitions, our goodwill and intangible assets may become impaired.

In connection with our initial public offering and separation from Morgan Stanley, we entered into agreements with Morgan Stanley where we agreed to indemnify Morgan Stanley for, among other things, certain past, present and future liabilities related to our business.

Pursuant to certain agreements we entered into with Morgan Stanley relating to the provision of services and other matters, we agreed to indemnify Morgan Stanley for, among other matters, certain past, present and future liabilities related to our business. Such liabilities include certain unknown liabilities, which could be significant.

Risks Related to Ownership of Our Common Stock

The market price of our common stock may be volatile, which could result in substantial losses.

The market price of our common stock is likely to fluctuate in the future for a variety of factors, some of which are beyond our control. One possible outcome of such fluctuation could be a decline in the value of your investment. For example, some of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;

- changes in or failure to meet guidance or long-term targets provided by the Company with respect to financial and operating metrics;

- changes in operating margins;

declines in the value of AUM in ETFs linked to MSCI indexes;

loss of key clients (See *Our clients that pay us a fee based on the assets of an investment product may seek to negotiate a lower asset-based fee percentage or may cease using our indexes, which could limit the growth of or decrease our revenues from asset-based fees* above);

changes in estimates of our financial results or recommendations by securities analysts;

failure of any of our products to achieve or maintain market acceptance;

failure to produce or distribute our products;

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- changes in market valuations of similar companies;
- success of competitive products;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- changes in our dividend policy or stock repurchase program;
- announcements by us or our competitors of significant products, contracts, acquisitions or strategic alliances;
- litigation involving our Company, our general industry or both;
- changes in or departures of key personnel;
- investors general perception of us, including any perception of misuse of sensitive information;
- changes in general economic, industry and market conditions in one or more significant regions around the world; and
- changes in regulatory developments in the U.S., foreign countries or both and changes in other dynamics.

In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

Our business performance might not be sufficient for us to meet the full-year financial guidance or long-term targets that we provide publicly.

We provide full-year financial guidance and long-term targets to the public based upon our assumptions regarding our expected financial performance. For example, we provide assumptions regarding our ability to manage our expenses, generate free cash flow, achieve a certain effective tax rate, access cash generated outside of the U.S. and achieve our profitability targets. While we believe that our annual financial guidance and long-term targets provide investors and analysts with insight to our view of the Company s future performance, such financial guidance and long-term targets are based on assumptions that may not always prove to be accurate and may vary from actual results. If we fail to meet the full-year financial guidance or achieve the long-term targets that we provide, or if we find it necessary to revise such guidance during the year or long-term targets over time, the market value of our common stock could be adversely affected.

Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.

Sales of a substantial number of shares of our common stock, or the perception that such sales may occur, could depress the market price of our common stock. This would include sales of our common stock underlying restricted shares of common stock and options to purchase shares of common stock granted in connection with our initial public offering and pursuant to our equity incentive compensation plans.

As of February 19, 2016, 98,786,211 shares of our common stock were outstanding and freely tradable without restriction or further registration under the Securities Act of 1933, as amended, by persons other than our affiliates within the meaning of Rule 144 under the Securities Act.

In November 2007, we filed a registration statement registering under the Securities Act the 12,500,000 shares of common stock reserved for issuance in respect of incentive awards to our officers and certain of our employees pursuant to the MSCI Amended and Restated 2007 Equity Incentive Compensation Plan and the 500,000 shares of common stock reserved for issuance in respect of equity awards made to our directors who are not employees of the Company or Morgan Stanley pursuant to the MSCI Independent Directors Equity Compensation Plan. As of December 31, 2015, we had issued 7,813,090 and 173,393 shares of common stock under the MSCI Amended and Restated 2007 Equity Incentive Compensation Plan and MSCI Independent Directors Equity Compensation Plan, respectively. In February 2016, the Board of Directors, upon the recommendation of the Compensation Committee, approved the MSCI Inc. 2016 Omnibus Plan (Omnibus Plan), a new equity incentive compensation plan that the Company will propose for approval at the Company s 2016 annual meeting of shareholders. Pursuant to the Omnibus Plan, the Company will reserve additional shares of common stock for issuance, which will be registered under the Securities Act if the plan is approved by the Company s shareholders. See Part II, Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Equity Compensation Plans.

In connection with the acquisition of RiskMetrics, we filed a registration statement registering under the Securities Act the 4,257,779 shares of MSCI common stock reserved for issuance in respect of incentive awards to officers and certain employees of RiskMetrics pursuant to the RiskMetrics Group, Inc. 2000 Stock Option Plan, RiskMetrics Group, Inc. 2004 Stock Option Plan, Institutional Shareholder Services Holdings, Inc. Equity Incentive Plan and RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan (collectively, the RMG Plans). As of December 31, 2015, we had issued 3,837,798 shares of common stock under the RMG Plans. In June 2010, we also filed a registration statement assuming 3,060,090 shares available under the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan. As of December 31, 2015, we had issued 2,097,370 shares of common stock under the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan, which terminated on June 30, 2012. See Note 10, Shareholders Equity of the Notes to the Consolidated Financial Statements included herein.

Also in the future, we may issue additional shares of our common stock in connection with investments and acquisitions. The amount of our common stock issued in connection with an investment or acquisition could constitute a material portion of the outstanding common stock.

Provisions in our Third Amended and Restated Certificate of Incorporation and Amended and Restated By-laws and Delaware law might discourage, delay or prevent a change of control of our Company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our Third Amended and Restated Certificate of Incorporation and Amended and Restated By-laws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that shareholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our shareholders to replace or remove our management. These provisions include:

- limitations on the removal of directors;
- advance notice requirements for shareholder proposals and director nominations;
- the inability of shareholders, after a change in control, to act by written consent or to call special meetings;

- the ability of our Board of Directors to make, alter or repeal our By-laws; and

- the ability of our Board of Directors to designate the terms of and issue new series of preferred stock without shareholder approval.

Generally, the amendment of our Third Amended and Restated Certificate of Incorporation requires approval by our Board of Directors and a majority vote of shareholders. Any amendment to our By-laws requires the approval of either a majority of our Board of Directors or holders of at least 80% of the votes entitled to be cast by the outstanding capital stock in the election of our Board of Directors.

Section 203 of the General Corporation Law of the State of Delaware prohibits a person who acquires more than 15% but less than 85% of all classes of our outstanding voting stock without the approval of our Board of Directors from merging or combining with us for a period of three years, unless the merger or combination is approved by the affirmative vote of at least two-thirds of our outstanding voting stock not owned by such person. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some shareholders.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of the Company, thereby reducing the likelihood that a premium would be paid for your common stock in an acquisition.

We may not be able to maintain payments of dividends at current levels and the failure to do so may negatively affect the market price of our common stock.

On September 17, 2014, our Board of Directors approved a plan to initiate a regular quarterly cash dividend to our shareholders. On October 30, 2014, we began paying regular quarterly cash dividends and have paid such dividends each quarter thereafter. On February 2, 2016, our Board of Directors declared our next quarterly cash dividend, in an amount of $0.22 per share of common stock, to be paid on March 11, 2016 to shareholders of record as of the close of trading on February 19, 2016. Although we plan to continue to pay regular quarterly cash dividends at the target rates (currently 30%-40% of Adjusted EPS) established by our Board of Directors from time to time, there can be no assurance that we will be able to continue to do so or that we will achieve an annual dividend rate in any particular amount. Our Board of Directors may, in its discretion, decrease the quarterly or annual rate of dividends or entirely discontinue the payment of dividends at any time if it deems such action to be in the best interests of the Company and our shareholders.

Our cash dividend policy is based upon our Board of Directors assessment of our financial condition and the general business environment in which we operate at the time of declaration. Any future declaration and payment of cash dividends to our shareholders depends on the assessment of a number of factors, some of which are beyond our control, and a change in any one or more factors could affect our dividend policy. These factors include: our results of operations and liquidity; future prospects for earnings and cash flows; our available cash on hand and anticipated cash needs; the level and timing of capital expenditures, principal repayments and other capital needs; our ability to comply with current or future financial and negative covenants that limit our ability to pay dividends and make certain other restricted payments (including the incurrence covenants contained in our 2014 Revolving Credit Agreement and the Indentures governing our Senior Notes); tax treatment of dividends in the U.S.; legal restrictions on the payment of dividends and other provisions of law in any applicable jurisdiction; and any other factors that our Board of Directors may deem relevant in light of the prevailing conditions at the time of such assessment. As a result, we can give no assurance that we will in the future choose or be able to declare or pay a cash dividend, maintain our current level of dividends or increase them over time. Our failure to declare or pay a dividend, a reduction in the level of such dividend or the discontinuance of such dividend could materially adversely affect the market price of our common stock.

The share repurchase programs approved by our Board of Directors may not result in enhanced value to shareholders and may negatively affect our share price.

On October 28, 2015, our Board of Directors approved a share repurchase program authorizing the purchase of up to $1.0 billion worth of shares of our common stock (the 2015 Repurchase Program). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by our Board of Directors at any time without prior notice. The 2015 Repurchase Program carries risks and uncertainties, including, among other things, that the authorized purchases will not be completed within the expected timing or will not be made at the best possible price. Additionally, we are permitted to, and may, discontinue the 2015 Repurchase Program at any time, including, without limitation, upon

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determining that we have insufficient cash flows or surplus levels required by Delaware law to continue to execute such program. Any such discontinuation or inability to continue to execute the 2015 Repurchase Program could cause the market price of our common stock to decline. Accordingly, there can be no assurance that we will pursue or be successful in completing the execution of the 2015 Repurchase Program or any future repurchase program. Additionally, the existence of a share repurchase program could cause the market price of our common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our shares. As a result, any repurchase program may not ultimately result in enhanced value to our shareholders and may not prove to be the best use of our cash resources.

Item 1B. *Unresolved Staff Comments*

Nothing required to be disclosed.

Item 2. *Properties*

Our corporate headquarters is located in New York, New York. This is also our largest sales office and one of our main research centers. As of December 31, 2015, our principal offices consisted of the following leased properties:

Location	Square Feet	Number of Offices	Expiration Date
Mumbai, India	126,286	1	September 30, 2018
New York, New York	125,811	1	February 28, 2033
Budapest, Hungary	44,225	1	February 29, 2024
Berkeley, California	34,178	1	February 29, 2020
London, England	32,365	1	December 25, 2026
Monterrey, Mexico	28,933	1	December 31, 2020
Norman, Oklahoma	23,664	1	May 31, 2024
Manila, Philippines	20,904	1	February 28, 2019
Conshohocken, Pennsylvania	15,590	1	June 30, 2019
Boston, Massachusetts	13,506	1	November 30, 2021
Geneva, Switzerland	11,883	1	March 31, 2019
Beijing, China	10,757	1	December 31, 2016

As of December 31, 2015, we also leased and occupied offices in the following locations: San Francisco, California; Chicago, Illinois; Hong Kong, China; Frankfurt, Germany; Paris, France; Shanghai, China; Sydney, Australia; Tokyo, Japan; Ann Arbor, Michigan; Portland, Maine; Toronto, Canada; Singapore; Amsterdam, Netherlands; Johannesburg, South Africa; Gaithersburg, Maryland; Cape Town, South Africa; Milan, Italy; Stockholm, Sweden; Sao Paolo, Brazil; Dubai, United Arab Emirates; Seoul, Korea; Taipei, Taiwan; and Santiago, Chile.

We believe that our properties are in good operating condition and adequately serve our current business operations. We also anticipate that suitable additional or alternative space, including those under lease options, will be available at commercially reasonable terms for future expansion.

Item 3. ***Legal Proceedings***

Various lawsuits, claims and proceedings have been or may be instituted or asserted against us in the ordinary course of business. While the amounts claimed could be substantial, the ultimate liability cannot now be determined because of the considerable uncertainty that exists. Therefore, it is possible that our business, operating results, financial condition or cash flows in a particular period could be materially adversely affected

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by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are currently pending or asserted will not, individually or in the aggregate, have a material effect on our business, operating results, financial condition or cash flows.

Item 4. ***Mine Safety Disclosures***

Not applicable.

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PART II

Item 5. ***Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Stock Price and Dividends

Our common stock has traded on the New York Stock Exchange since November 15, 2007 and trades under the symbol MSCI. As of February 19, 2016, there were 146 shareholders of record of our common stock. The following table presents the high and low closing sales prices per share and cash dividends declared and distributed per share of our common stock from January 1, 2014 through December 31, 2015.

Years Ended	High	Low	Dividends per Share of Common Stock
December 31, 2015			
First Quarter	$ 61.31	$ 47.24	$ 0.18
Second Quarter	$ 63.75	$ 60.32	$ 0.18
Third Quarter	$ 68.16	$ 57.78	$ 0.22
Fourth Quarter	$ 72.85	$ 57.95	$ 0.22
December 31, 2014			
First Quarter	$ 46.27	$ 40.28	$
Second Quarter	$ 45.85	$ 40.54	$
Third Quarter	$ 48.98	$ 43.90	$
Fourth Quarter	$ 48.92	$ 42.20	$ 0.18

On February 19, 2016, the per share closing price of our common stock on the New York Stock Exchange was $71.55.

Dividend Policy

On September 17, 2014, the Board of Directors approved a plan to initiate a regular quarterly cash dividend. On February 2, 2016, our Board of Directors declared our next quarterly cash dividend, in an amount of $0.22 per share of common stock, to be paid on March 11, 2016 to shareholders of record as of the close of trading on February 19, 2016.

The payment amounts of future dividends will be determined by the Board of Directors in light of conditions then existing, including our earnings, financial condition and capital requirements, business conditions, corporate law requirements and other factors.

The Transfer Agent and Registrar for our common stock is Broadridge Financial Solutions, Inc.

Equity Compensation Plans

On November 2, 2007 and November 5, 2007, our shareholders and Board of Directors approved, respectively, the implementation of the MSCI Independent Directors Equity Compensation Plan (as amended and restated on January 12, 2011, the IDECP). Under the IDECP, the directors that are not employees of the Company receive annual Board retainer fees and fees for serving on the Company s committees, if applicable, and pursuant to the terms of the IDECP, a director may make an election to receive all or any portion of such director s retainer and committee fees in shares of our common stock. Directors who are not employees of the Company are entitled to receive an annual grant of $140,000 each in stock units and the lead director is entitled to an additional $25,000 in stock units, which are typically subject to a one-year vesting schedule. Under the MSCI Inc. Director Deferral Plan, directors may elect to defer receipt of all or any portion of any shares of our common stock issuable upon conversion of any stock unit or any retainer elected to be paid in shares of our common stock until (i) 60 days following separation of service or (ii) the earlier of a specified date or 60 days

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following separation of service. The total number of shares authorized to be awarded under the plan is 500,000. On February 18, 2016, the Board of Directors, upon the recommendation of the Compensation Committee, approved the MSCI Inc. 2016 Non-Employee Director Equity Compensation Plan (the 2016 Director Plan), a new cash and equity incentive compensation plan that the Company will propose for approval at the Company s 2016 annual meeting of shareholders. The Company does not expect to reserve any additional shares of common stock for issuance in connection with the 2016 Director Plan.

On November 2, 2007 and November 5, 2007, our shareholders and Board of Directors approved, respectively, the implementation of the MSCI 2007 Equity Incentive Compensation Plan. On April 9, 2008, our shareholders approved the MSCI Amended and Restated 2007 Equity Incentive Compensation Plan (as further amended, the MSCI EICP) and the MSCI Inc. Performance Formula and Incentive Plan (the Performance Plan). The MSCI EICP permits the Compensation Committee to make grants of a variety of equity based awards (such as stock, restricted stock, stock units and options) totaling up to 12,500,000 shares to eligible recipients, including employees and consultants. No awards are permitted to be granted under this plan after April 9, 2018. On February 18, 2016, the Board of Directors, upon the recommendation of the Compensation Committee, approved the MSCI Inc. 2016 Omnibus Plan (Omnibus Plan), a new equity incentive compensation plan that the Company will propose for approval at the Company s 2016 annual meeting of shareholders. Pursuant to the Omnibus Plan, the Company will reserve additional shares of common stock for issuance (resulting in an expected aggregate reserve of 7.5 million shares (inclusive of the share reserve remaining under the MSCI EICP); *plus* any additional shares which become available due to forfeiture, expiration or cancellation of outstanding awards, as described in Note 1, Introduction and Basis of Presentation, of the Notes to Consolidated Financial Statements included herein), which will be registered under the Securities Act if the plan is approved by the Company s shareholders. This is in addition to currently outstanding awards under the MSCI EICP. The Company will continue to maintain the Performance Plan and may make tax-qualified awards pursuant to this plan.

In connection with the acquisition of RiskMetrics, we filed a registration statement registering under the Securities Act the 4,257,779 shares of MSCI common stock reserved for issuance in respect of incentive awards to officers and certain employees of RiskMetrics pursuant to the RiskMetrics Group, Inc. 2000 Stock Option Plan, RiskMetrics Group, Inc. 2004 Stock Option Plan, Institutional Shareholder Services Holdings, Inc. Equity Incentive Plan and RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan (collectively, the RMG Plans). In June 2010, we also filed a registration statement assuming 3,060,090 shares available under the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan, which terminated on June 30, 2012.

The following table presents certain information with respect to our equity compensation plans at December 31, 2015:

	Number of Securities to be Issued Upon Vesting of Restricted Stock Units and Exercise of Outstanding Options	**Weighted Average Unit Award Value of Restricted Stock Units and Weighted-Average Exercise Price of Outstanding Options**	**Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))**
	a	**b**	**c**

Equity Compensation Plans Approved by Security Holders				
MSCI Independent Directors Equity Compensation Plan[1]	42,229	$	52.20	352,564
MSCI Amended and Restated 2007 Equity Incentive Compensation Plan	1,259,124	$	43.71	6,372,957
RiskMetrics Group, Inc. 2000 Stock Option Plan		$		
RiskMetrics Group, Inc. 2004 Stock Option Plan	62,689	$	19.72	
RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan	196,210	$	22.22	
Total	1,560,252	$	40.27	6,725,521

[1] The MSCI Independent Directors Equity Compensation Plan does not authorize the issuance of options to purchase MSCI common stock.

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Stock Repurchases

On December 13, 2012, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of MSCI s common stock beginning immediately and continuing through December 31, 2014 (the 2012 Repurchase Program).

Prior to 2014, the Company repurchased an aggregate of $200.0 million worth of shares of MSCI s common stock through multiple accelerated share repurchase (ASR) agreements under the 2012 Repurchase Program. On February 6, 2014, MSCI utilized the remaining $100.0 million repurchase authorization provided by the 2012 Repurchase Program.

On February 4, 2014, the Board of Directors approved a stock repurchase program authorizing the purchase of up to $300.0 million worth of shares of MSCI s common stock, which was increased to $850.0 million on September 17, 2014 (the 2014 Repurchase Program). On October 14, 2015, the Company exhausted the $850.0 million share repurchase authorization under the 2014 Repurchase Program.

On October 28, 2015, the Board of Directors approved a new stock repurchase program authorizing the purchase of up to $1.0 billion worth of shares of MSCI s common stock (the 2015 Repurchase Program). Share repurchases made pursuant to the 2015 Repurchase Program may take place in the open market or in privately negotiated transactions from time to time based on market and other conditions. This authorization may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

On September 18, 2014, as part of the 2014 Repurchase Program, the Company entered into an ASR agreement to initiate share repurchases aggregating $300.0 million (the September 2014 ASR Agreement). As a result of the September 2014 ASR Agreement, the Company received approximately 4.5 million shares of MSCI s common stock on September 19, 2014 and approximately 1.2 million shares of MSCI s common stock on May 21, 2015 for a combined average price of $52.79 per share.

On June 2, 2015, the Company began purchasing shares of its common stock on the open market in accordance with SEC Rule 10b5-1. Through December 31, 2015, the Company paid $670.8 million to receive approximately 10.7 million shares of MSCI s common stock on the open market as part of both the 2014 Repurchase Program and the 2015 Repurchase Program.

Pursuant to the 2014 Repurchase Program and the 2015 Repurchase Program, as of December 31, 2015, the Company purchased a total of 16.4 million shares of MSCI s common stock for an average purchase price of $59.22 per share.

Since September 2014 and through December 31, 2015, approximately $1.1 billion was returned through share repurchases and cash dividends and a total of $1.4 billion was returned to shareholders since 2012.

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The following table provides information with respect to purchases made by or on behalf of the Company of its common stock during the quarter ended December 31, 2015. There were no other share repurchases during the quarter outside of the repurchases noted below.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [2]
Month #1 (October 1, 2015-October 31, 2015)	2,273,483	$ 59.29	2,269,186	$ 1,000,000,000
Month #2 (November 1, 2015-November 30, 2015)	695,301	$ 68.33	688,223	$ 952,974,000
Month #3 (December 1, 2015-December 31, 2015)	1,047,474	$ 70.44	1,046,354	$ 879,283,000
Total	4,016,258	$ 63.76	4,003,763	$ 879,283,000

(1) Includes (i) shares withheld to satisfy tax withholding obligations on behalf of employees that occur upon vesting and delivery of outstanding shares underlying restricted stock units; (ii) shares withheld to satisfy tax withholding obligations and exercise price on behalf of employees that occur upon exercise and delivery of outstanding shares underlying stock options; and (iii) shares held in treasury under the MSCI Inc. Director Deferral Plan. The value of the shares withheld were determined using the fair market value of the Company s common stock on the date of withholding, using a valuation methodology established by the Company. The amount also includes shares repurchased under the 2014 Repurchase Program.

(2) See Note 10, Shareholders Equity of the Notes to the Consolidated Financial Statements included herein for further information regarding our stock repurchase programs.

Recent Sales of Unregistered Securities

The Company has issued an aggregate principal amount of $1.6 billion in senior unsecured notes in two discrete private placements, each in the amount of $800.0 million, to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. The Company completed its offering of the 2025 Senior Notes on August 13, 2015 and its offering of the 2024 Senior Notes on November 20, 2014. The Senior Notes have not been registered under the Securities Act or any state securities laws.

There were no unregistered sales of equity securities in the year ended December 31, 2015.

Use of Proceeds from Sale of Registered Securities

None.

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FIVE-YEAR STOCK PERFORMANCE GRAPH

The following graph compares the cumulative total shareholders return on our common stock, the Standard & Poor s 500 Stock Index and the NYSE Composite Index since December 31, 2010 assuming an investment of $100 at the closing price on December 31, 2010. In calculating total annual shareholders return, reinvestment of dividends, if any, is assumed. The indexes are included for comparative purposes only. They do not necessarily reflect management s opinion that such indexes are an appropriate measure of the relative performance of the common stock. This graph is not soliciting material, is not to be deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Total Investment Value

	Years Ended				
	December 31, 2015	**December 31, 2014**	**December 31, 2013**	**December 31, 2012**	**December 31, 2011**
MSCI Inc.	$ 188	$ 122	$ 112	$ 80	$ 85
S&P 500	$ 181	$ 178	$ 157	$ 118	$ 102
NYSE Composite Index	$ 145	$ 151	$ 141	$ 112	$ 97

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Item 6. *Selected Consolidated Financial Data*

Our selected consolidated financial data for the periods presented should be read in conjunction with Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto beginning on page F-1 of this Annual Report on Form 10-K.

The selected Consolidated Statement of Income data for the years ended December 31, 2015, 2014 and 2013 and the selected Consolidated Statement of Financial Condition data as of December 31, 2015 and 2014 are derived from our audited consolidated financial statements beginning on page F-1 of this Annual Report on Form 10-K. Our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 have been audited and reported upon by an independent registered public accounting firm in each period. The selected Consolidated Statement of Income data for the years ended December 31, 2012 and 2011 and the selected Consolidated Statement of Financial Condition data as of December 31, 2013, 2012 and 2011 are derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K.

The selected financial information presented below may not be indicative of our future performance.

	As of or For the Years Ended				
	December 31, 2015 (1)	December 31, 2014 (2)	December 31, 2013 (4)	December 31, 2012 (5)	December 31, 2011
	(in thousands, except operating margin and per share data)				
Operating revenues	$ 1,075,013	$ 996,680	$ 913,364		