MSCI SECOND QUARTER 2017

Earnings Presentation

August 3, 2017

FORWARD – LOOKING STATEMENTS

- **Forward-Looking Statements – Safe Harbor Statements**
  - This earnings presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, our full-year 2017 guidance. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect our actual results, levels of activity, performance or achievements.

  - Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the Securities and Exchange Commission (“SEC”) on February 24, 2017 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this earnings presentation reflects MSCI’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI’s operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.

OTHER INFORMATION

- Percentage changes and totals in this earnings presentation may not sum due to rounding.
- Percentage changes refer to the comparable period in 2016, unless otherwise noted.
- Gross sales include both recurring subscription and non-recurring sales as reported in Table 6: Sales and Aggregate Retention Rate by Segment (unaudited) of the press release reporting MSCI's financial results for second quarter 2017.
- Foreign currency exchange rate fluctuations are calculated to be the difference between the current period results as reported compared to the current period results recalculated using the foreign currency exchange rates in effect for the comparable prior period. We do not provide the impact of foreign currency fluctuations on our asset-based fees tied to average AUM, of which approximately two-thirds are invested in securities denominated in currencies other than the U.S. dollar, and accordingly, the impact of any such is excluded from the disclosed foreign currency adjusted variances.
- On August 1, 2016, MSCI closed the sale of its Real Estate occupiers benchmarking business. Unless indicated otherwise, reported financial results and operating metrics have not been updated to exclude the results of this business.
- Based on accounting guidance, all stock-based compensation excess tax benefits and tax shortfalls are recognized in the provision for income taxes in the statement of income as discrete items, beginning in first quarter 2017 on a prospective basis. Previously, these discrete amounts were recorded in additional paid in capital on the statement of financial condition.
- Beginning in first quarter 2017, adjusted EPS includes amortization expense associated with capitalized software development costs. For periods prior to first quarter 2017, the amortization associated with capitalized software development was not included as an adjustment to adjusted net income and adjusted EPS as it was not material.

Q2'17 – CONTINUED STRONG EXECUTION[1]

REVENUE GROWTH	**Growth in Operating Revenues**	+8.8%
OPERATIONAL EFFICIENCY	**Increase in Operating Expenses / Adj. EBITDA Expenses**	+3.2% / +3.6%
	Growth in Operating Income / Adj. EBITDA	+16.1% / +13.8%
	Operating Margin / Adj. EBITDA Margin Improvement	+290 bps / +230 bps
	Lower Effective Tax Rate	(260 bps)
CAPITAL OPTIMIZATION	**Lower Diluted Share Count**	(5.3%)
	Increased Leverage[2]	+0.5x
	Growth in Diluted EPS / Adj. EPS	+29.0% / +23.4%

Building Shareholder Value

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[1] Percentage and other changes refer to second quarter 2016 unless otherwise noted.

[2] Leverage = Total Debt / Trailing Twelve Months Adjusted EBITDA.

DRIVERS OF GROWTH / PROFITABILITY

Revenue Drivers	Passive Products Linked to MSCI Indexes (ETFs and Non-ETFs) Market Cap Index Subscriptions Equity Factor Indexes and Risk Models ESG Ratings and Indexes Index Derivatives (Futures, Options and Structured Products)
Profitability Drivers	Increase in Efficiency of Technology Platform Prioritization and Execution of Key Initiatives and Investments

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Multiple Drivers of Growth and Profitability in Portfolio

POWER OF THE INTEGRATED FRANCHISE

Integration Within:

Clients

Content

Applications & Services

Client Investment Opportunities and Challenges

Research and Product Development

Models / Methodologies

Derived Data | **Algorithms**

Content-Enabling Applications / Services

Better / More Efficient Client Investment Decisions

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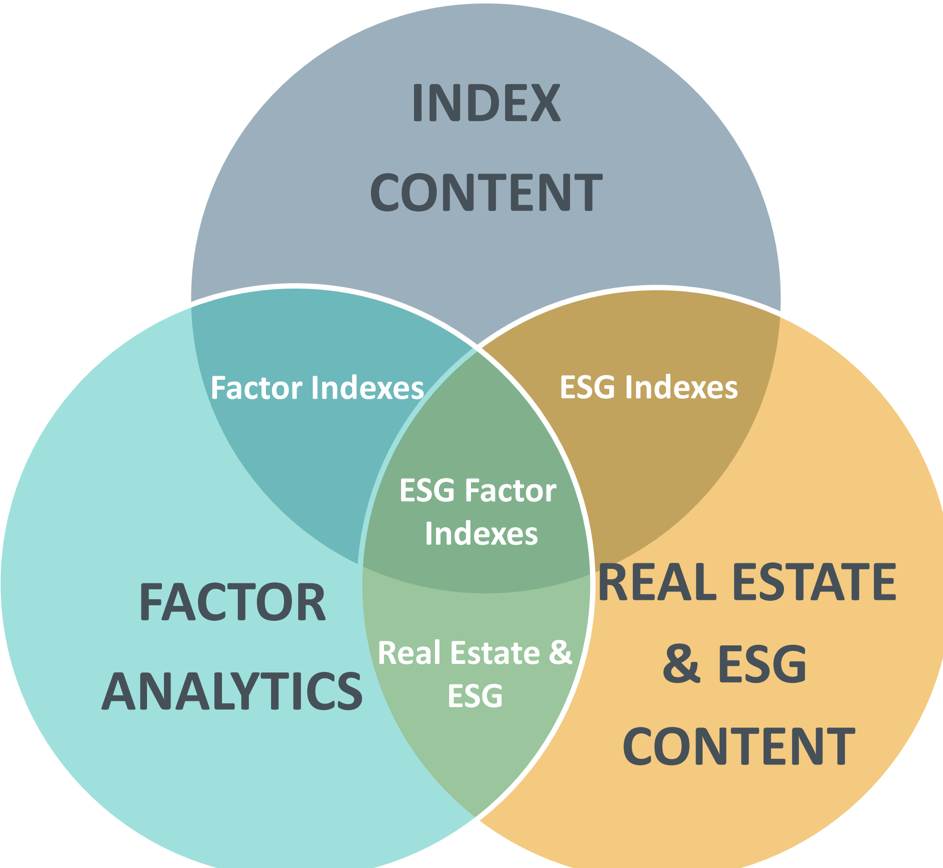
Building Shareholder Value

INTEGRATED FRANCHISE – CONTENT, APPLICATIONS & SERVICES

(US$ in millions)

Incremental Run Rate From Integration >$55 million



Integration of Indexes, Factors, Real Estate and ESG Across MSCI

- **Creation of Factor, ESG and Combined ESG / Factor Indexes:**
  - Combining Factor and ESG exposures
- **Real Estate and ESG Content in Analytics:**
  - Real Estate Risk Models in Analytics
  - ESG offerings in Analytics
- **Factor Models, Index and ESG Content Across Applications:**
  - Unified approach to factors

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Integration of Content, Applications and Services

INTEGRATED FRANCHISE – BENEFIT TO CLIENTS

ASSET OWNERS

Better Alpha

ACTIVE MANAGERS

- Transparency - show how manager adds value (Factors)
- Reduce costs – through work flow improvements (Analytics Tools)
- Better risk management – multi-asset risk solutions (BarraOne)
- More sustainable and integrated approach to investing (ESG)
- Better asset allocation
- Helps meet fiduciary obligations

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Integrated Content, Applications & Services

Better Beta

PASSIVE MANAGERS

- More product options for Asset Owners (Factors)
- Cost efficient environment for capturing premia
- Reduce costs of trading (Equity Models)
- Better risk management – in beta generation
- More sustainable and integrated approach to investing (ESG)
- Helps meet fiduciary obligations

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Helping Our Clients Make Better Investment Decisions

Q2’17 FINANCIAL SUMMARY

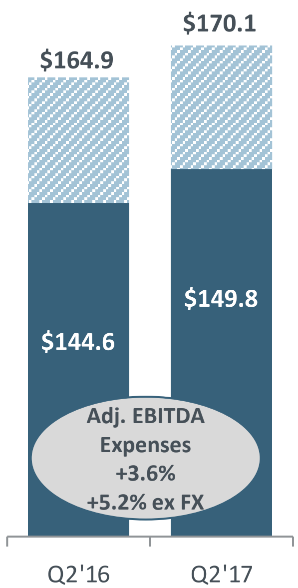
(US$ in millions, except for EPS)

Operating Revenue

+8.8%
+9.4% ex FX[1]

Operating Expenses

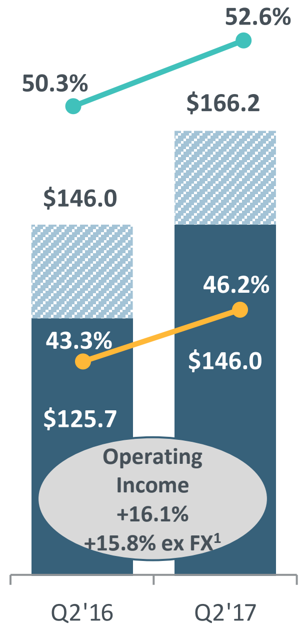
Operating Expenses
+3.2%
+4.6% ex FX



= Depreciation and Amortization

Operating Income

Adj. EBITDA
+13.8%
+13.6% ex FX[1]



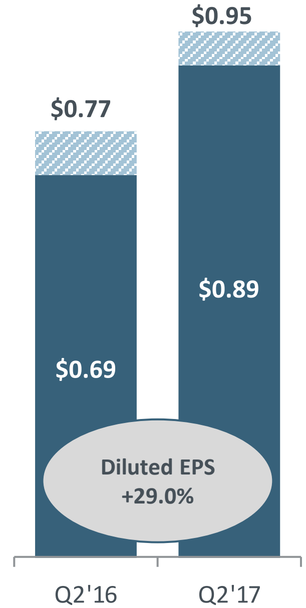
= Depreciation and Amortization

Adj. EBITDA Margin

Operating Margin

Earnings Per Share

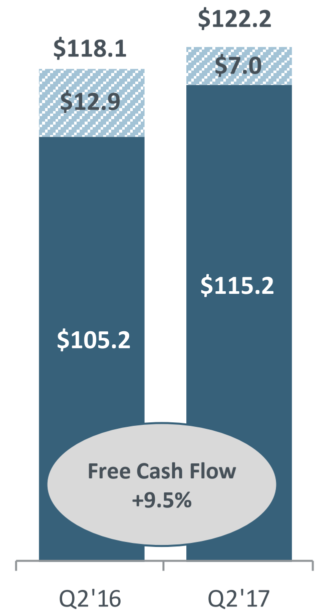
Adj. EPS
+23.4%



= Diluted EPS, plus the after-tax impact of amortization of acquired intangible assets

Cash Generation

Cash from Operations
+3.5%



= Capex

Strong Financial Performance Across Key Metrics

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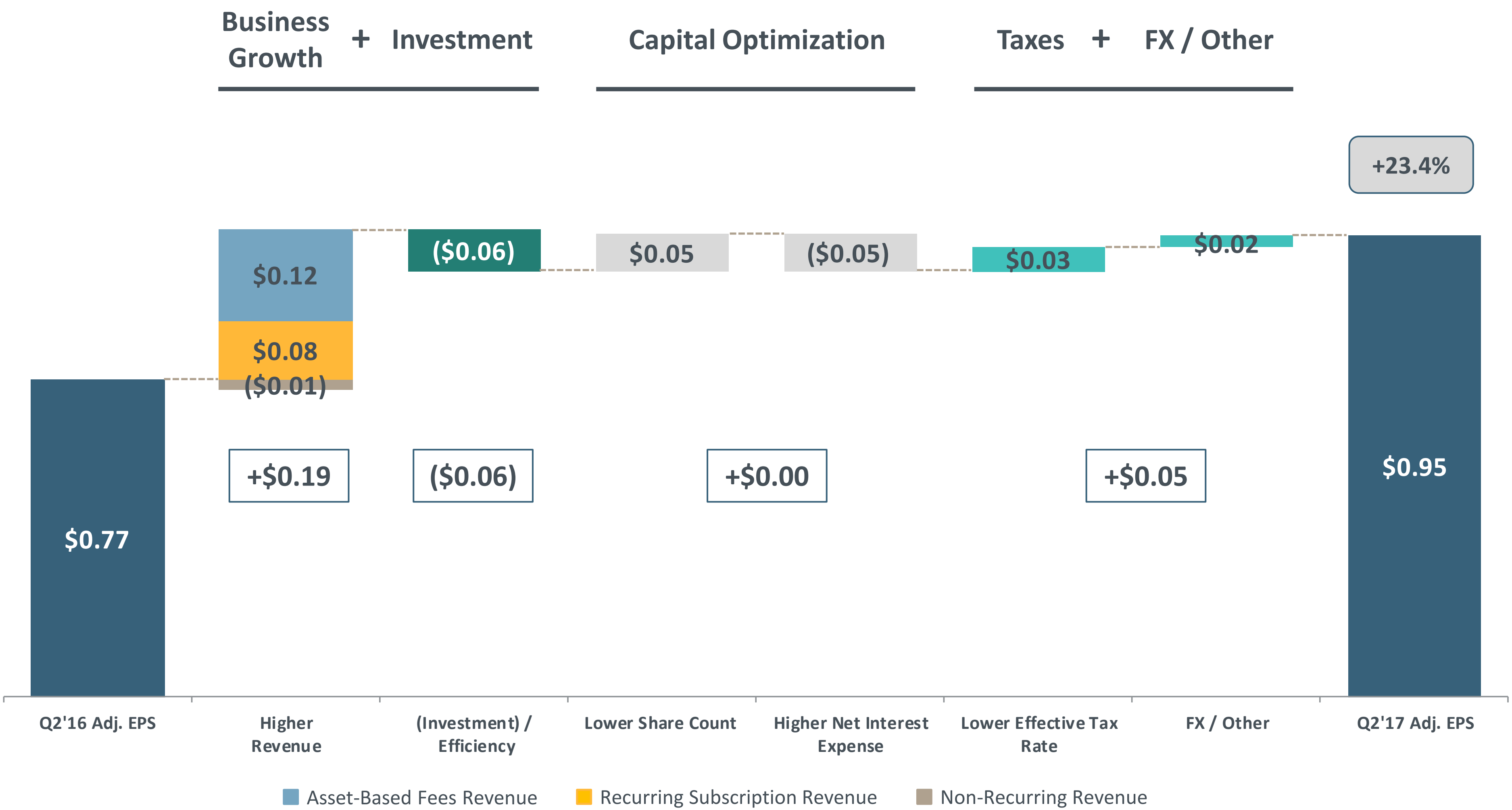
[1] MSCI does not provide the impact of foreign currency fluctuations on our asset-based fees tied to average AUM, of which approximately two-thirds are invested in securities denominated in currencies other than the U.S. dollar, and accordingly, the impact of any such fluctuation is excluded from the disclosed foreign currency adjusted variances.

Q2’17 VS. Q2’16 ADJUSTED EPS BRIDGE



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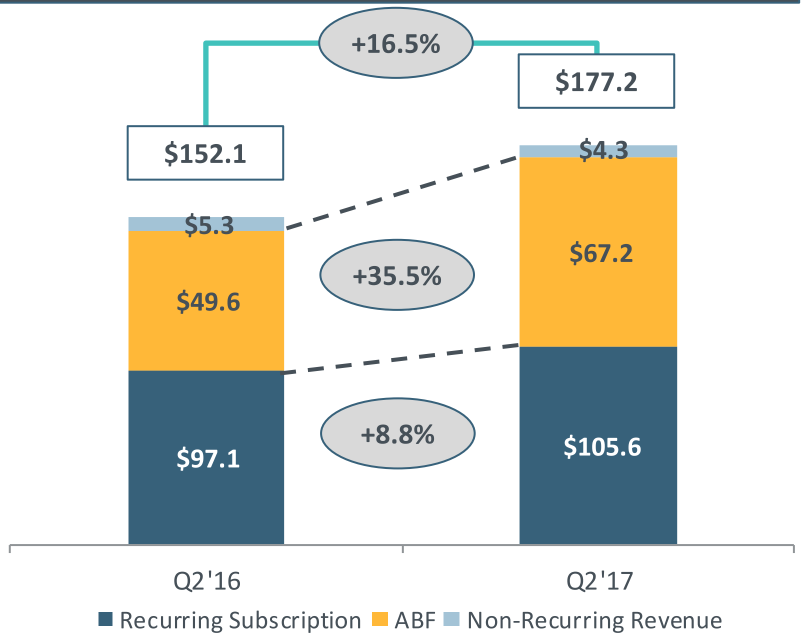
Continued Strong Execution Driving Adjusted EPS Growth

INDEX SEGMENT

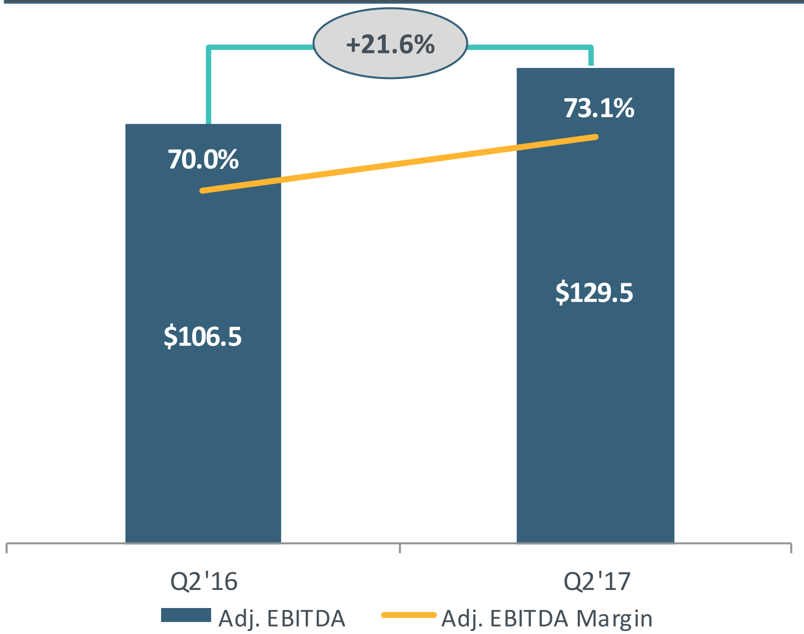
(US$ in millions)

Operating Revenue



- **Asset-based fees (ABF) revenue growth across all products:**
  - **32.2% increase in ETF related revenue**
  - **40.9% increase in non-ETF passive products revenue**
  - **54.0% increase in exchange-traded products revenue**
- **Solid growth in recurring subscription revenue driven by core products, factor, thematic and custom index products and usage fees**

Adj. EBITDA & Adj. EBITDA Margin (%)



- **Increase in margin driven by strong asset-based fees revenue growth**
- **Continue to invest and innovate to enhance existing products**

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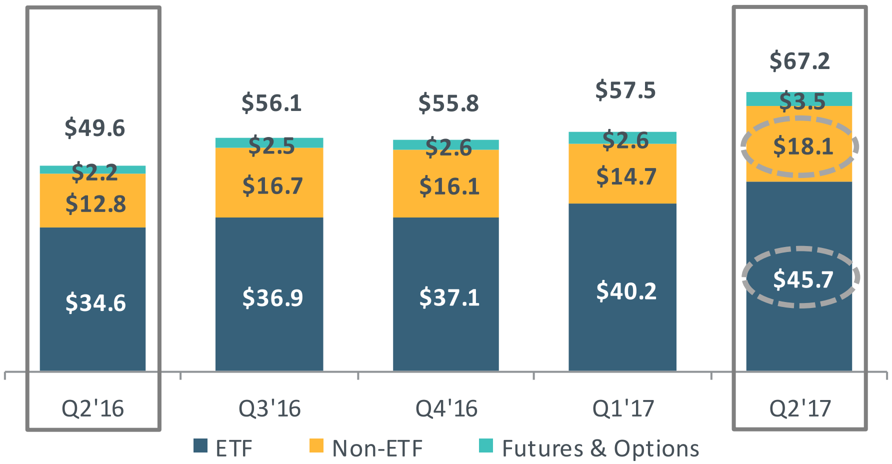
Strong Top-Line and Adjusted EBITDA Growth

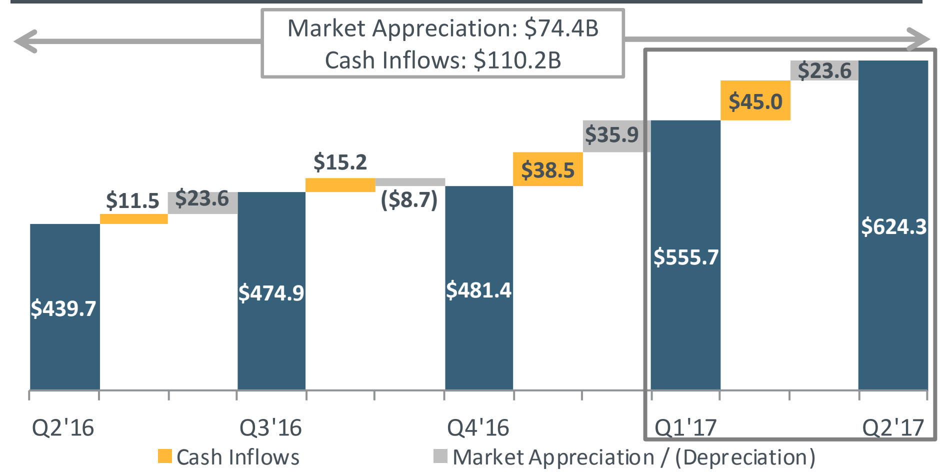
INDEX SEGMENT – ASSET-BASED FEES DETAIL

(US$ in millions, except AUM in billions and Average BPS)

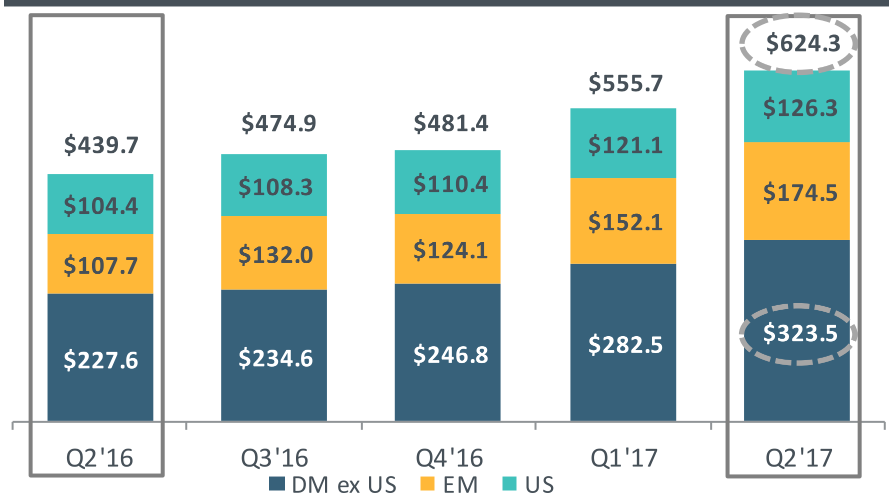
Quarterly Asset-Based Fees Revenue Trend



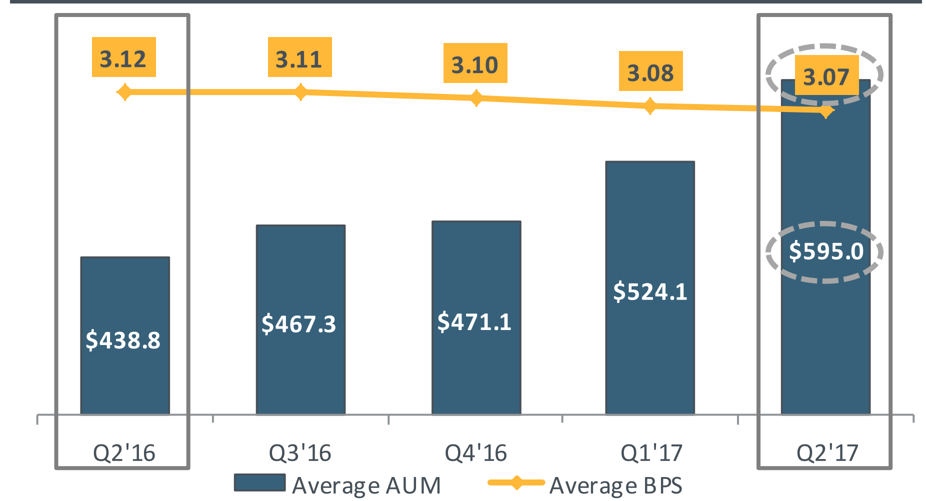
Quarter-End AUM & Market Movement of ETFs Linked to MSCI Indexes



Quarter-End AUM by Market Exposure[1] of ETFs Linked to MSCI Indexes



Quarterly Avg. AUM and Avg. BPS[2] of ETFs Linked to MSCI Indexes



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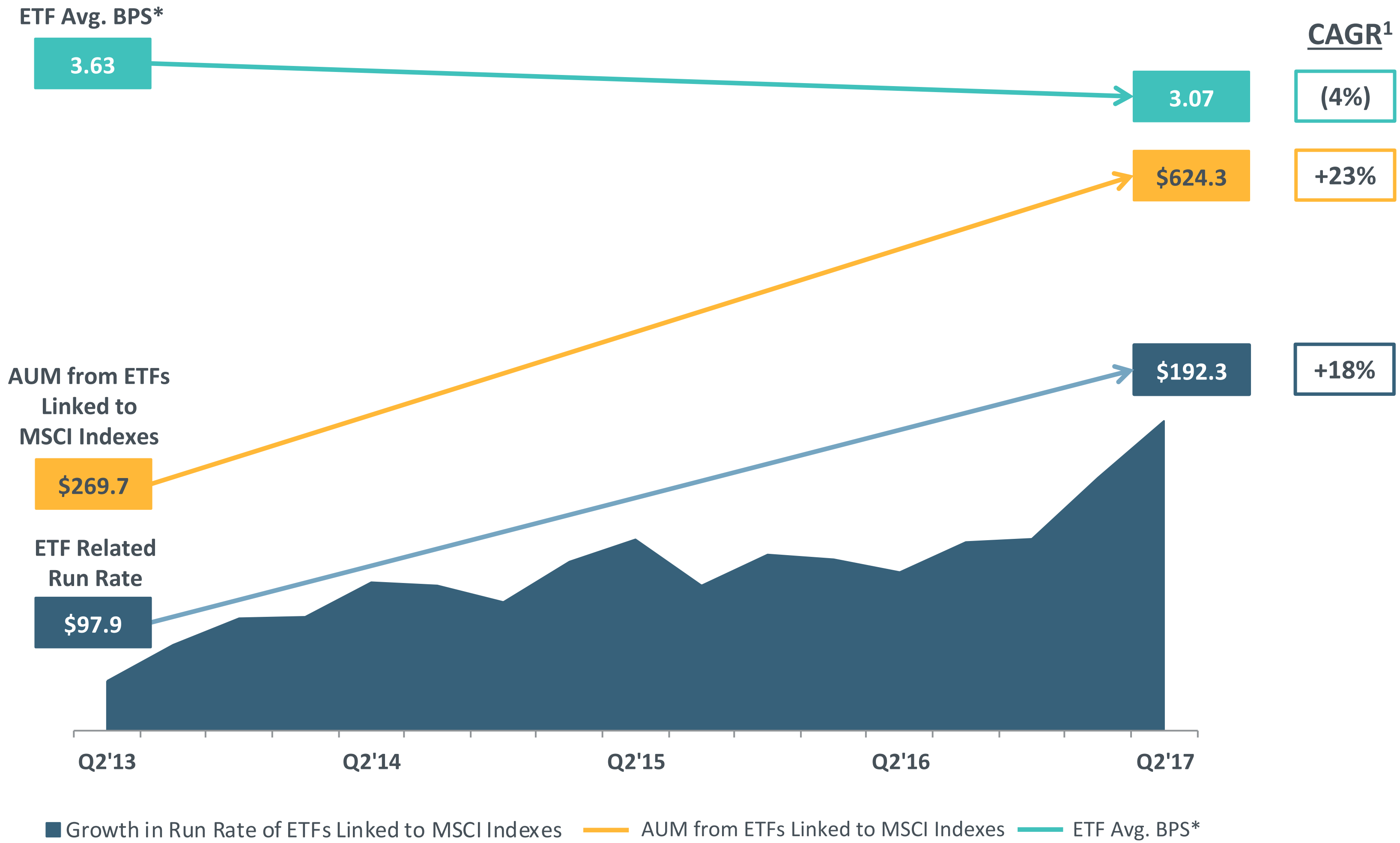
[1] Note: US = ETFs linked to MSCI indexes the majority of whose weight is comprised of securities in MSCI Developed Market (DM) countries, primarily or exclusively in the US. DM ex US = ETFs linked to MSCI indexes the majority of whose weight is comprised of securities in MSCI DM countries other than the US. EM = ETFs linked to MSCI indexes the majority of whose weight is comprised of securities that are not in MSCI DM countries. Prior periods have been reclassified to conform to the current period classification.

[2] Average BPS based on Run Rate and period–end AUM from ETFs linked to MSCI Indexes.

MSCI INDEX-LINKED ETFS – ATTRACTIVE PRICE VS. VOLUME TRADE-OFF

(US$ in millions, except AUM in billions and Average BPS)



Successfully Maximizing Run Rate

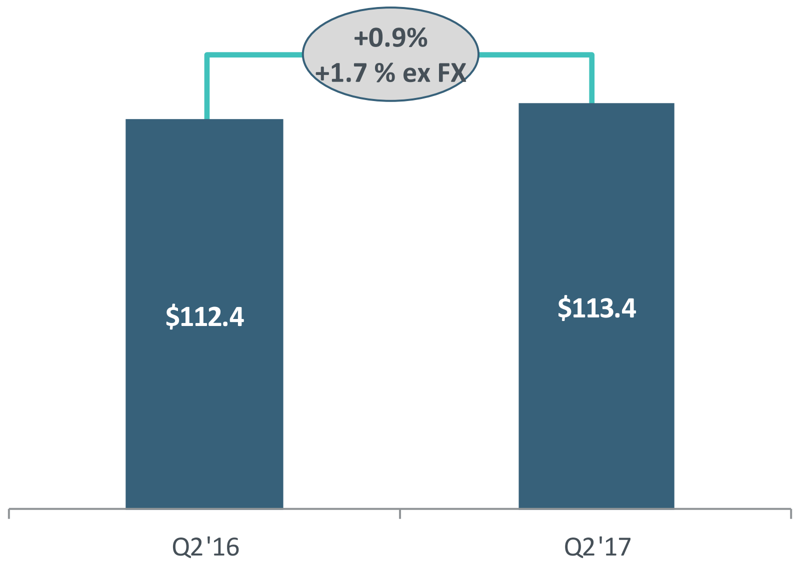
* Average ETF BPS based on Run Rate and period–end AUM from ETFs linked to MSCI Indexes.

[1] CAGR for the period Q2'13 to Q2'17.

ANALYTICS SEGMENT

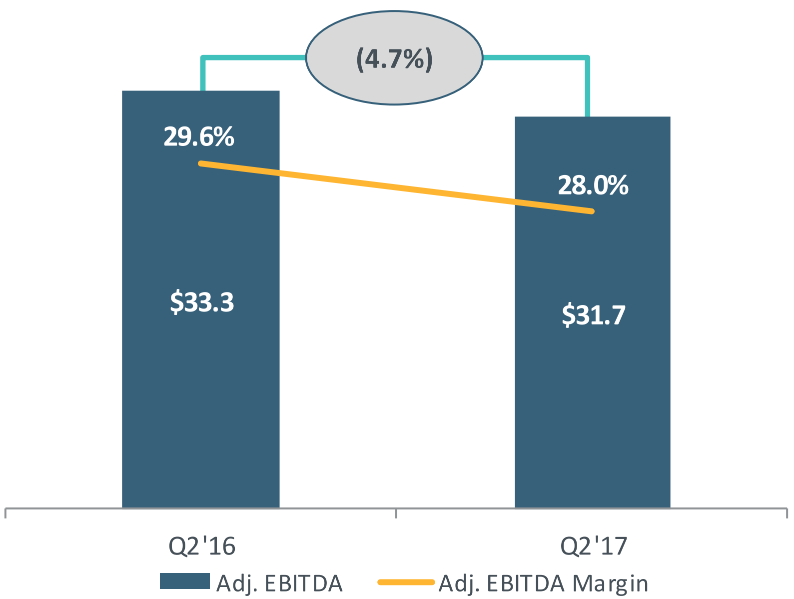
(US$ in millions)

Operating Revenue



- Slower revenue growth in second quarter principally driven by two factors:
  - Impact of elevated cancels in the prior year
  - Timing of client implementations
- Continued strength in equity models

Adj. EBITDA & Adj. EBITDA Margin (%)



- Negative operating leverage in H1'17 driven by slower revenue growth and higher investment spend
- Improved profitability from strong pipeline and timing of client implementations expected to benefit H2'17

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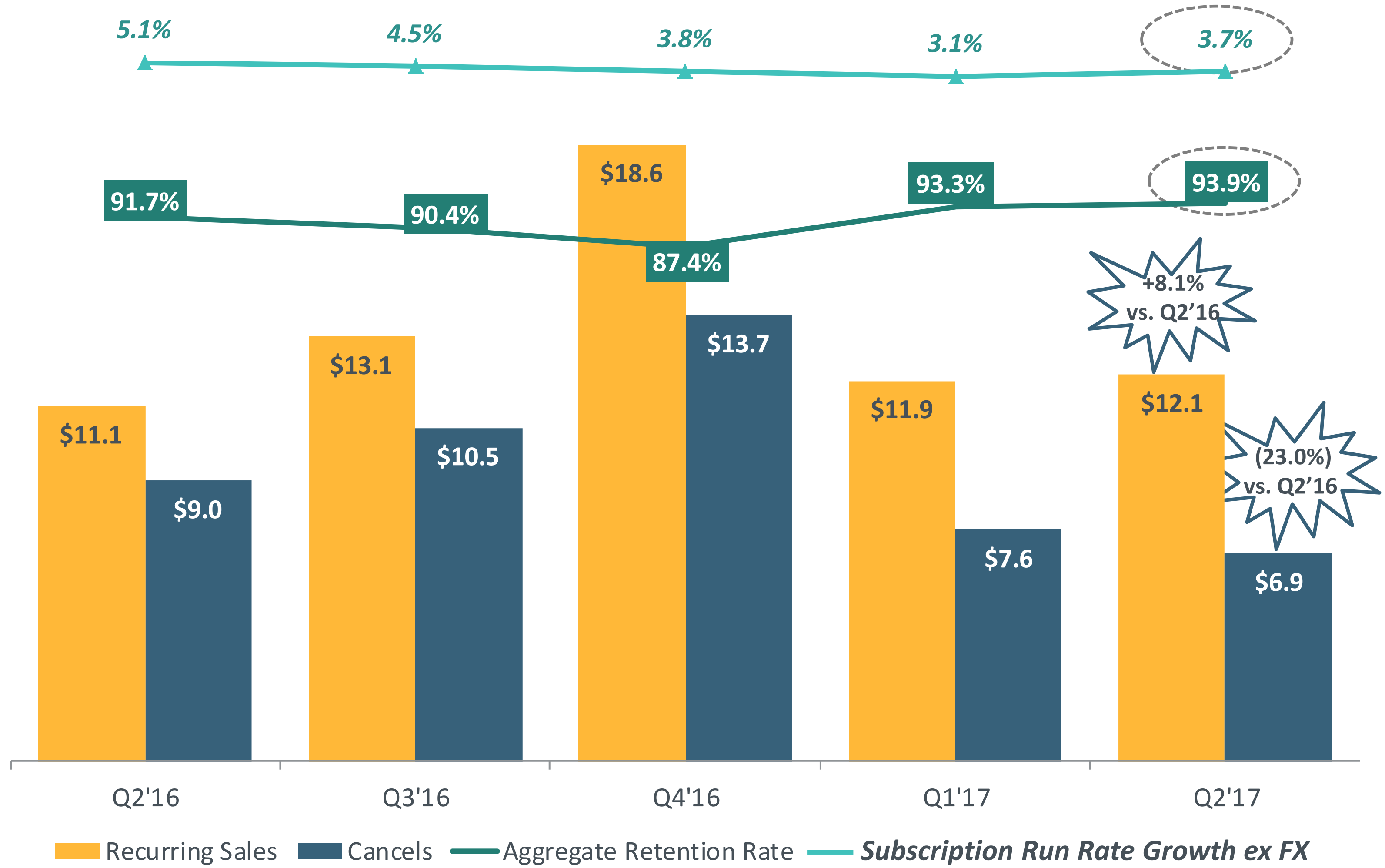
Slower Revenue Growth in Q2'17 Versus Run Rate Growth ex FX of 3.7%

ANALYTICS RECURRING SALES AND CANCELS

(US$ in millions)



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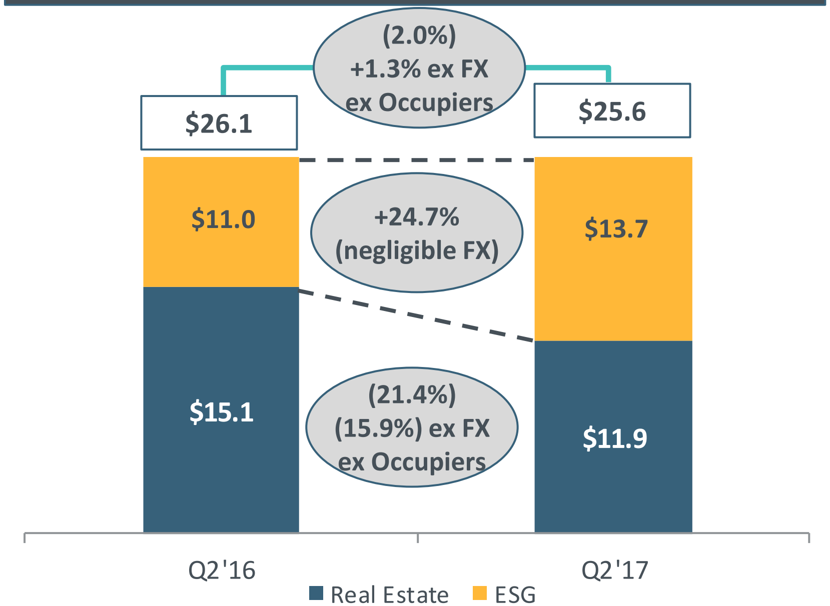
Higher Recurring Sales YoY; Lower Cancels, Higher Retention YoY

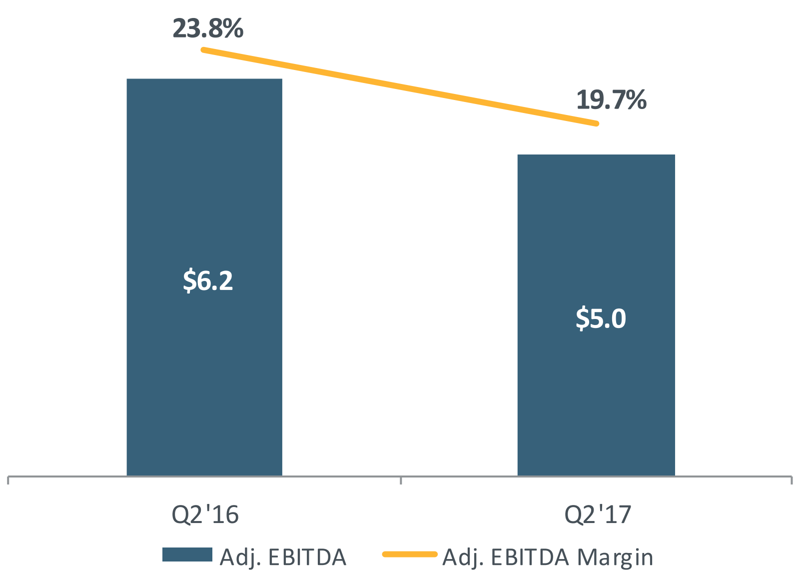
ALL OTHER SEGMENT

(US$ in millions)

Operating Revenue



Adj. EBITDA & Adj. EBITDA Margin (%)



- **Strong growth driven by ESG Ratings revenue; record total net new subscription sales**
- **Real Estate revenue lower due to higher cancels principally from a discontinued index, the timing of report deliveries and FX**

- **Continued investment in ESG product line to drive growth and establish MSCI ESG as market standard**
- **Restructuring of Real Estate product line continues**

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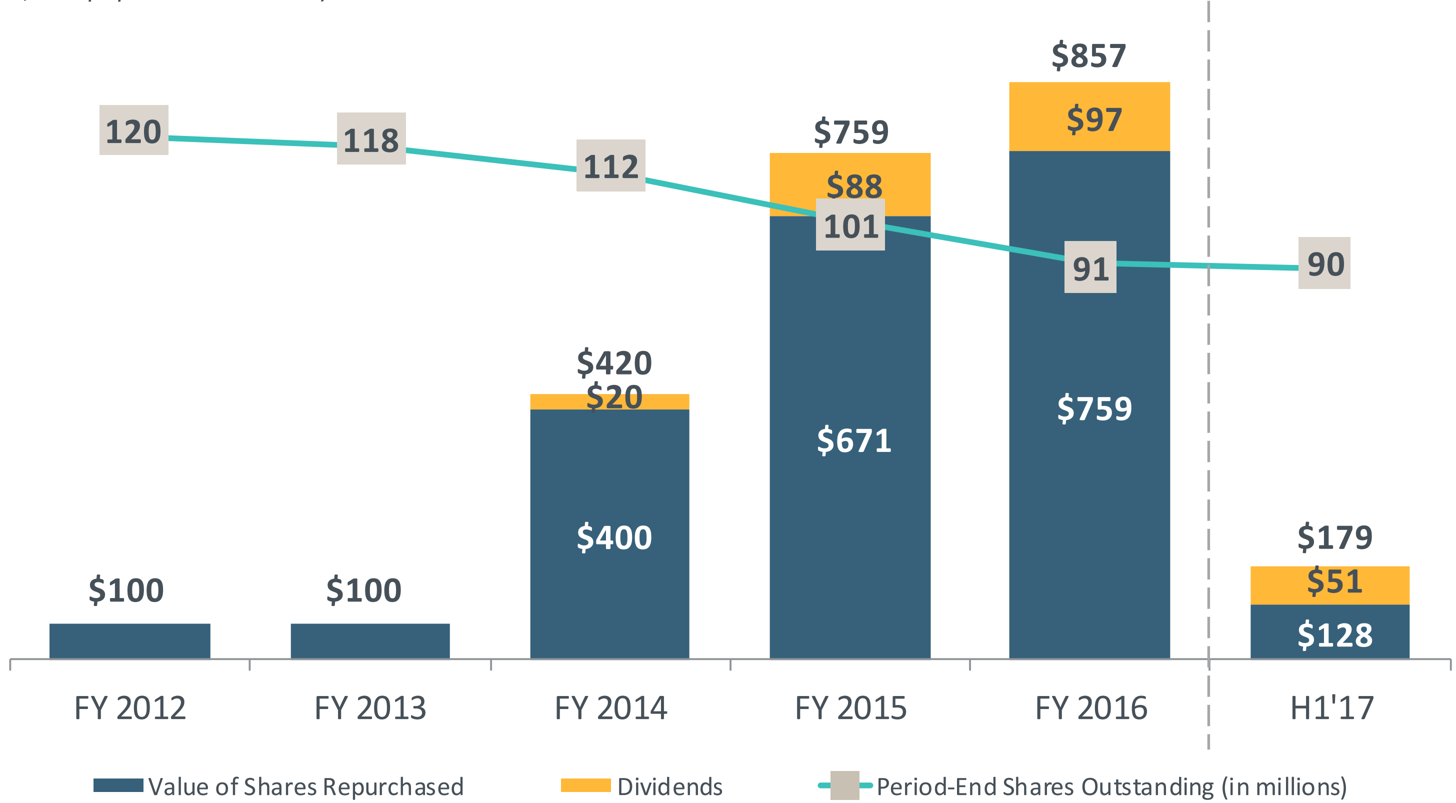
Strong Demand for ESG; Continued Restructuring of Real Estate

STRONG TRACK RECORD OF RETURNING CAPITAL

(US$ in millions, except period-end shares)



- Total capital returned since 2012: $2.4B
- In second quarter 2017 and through July 28, 2017, a total of 0.5m shares were repurchased at an average price of $100.63 per share for a total value of $46.4m
- $0.7B remains on outstanding share repurchase authorization as of 07/28/17
- Board approves 35.7% increase in dividend to $0.38 per share; $1.52 on an annualized basis

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Substantial Capital Returned

BALANCE SHEET AND LIQUIDITY

(US$ in millions)

		As of June 30, 2017
Cash & Cash Equivalents		**$750.6**
Cash & Cash Equivalents in the US[1]	$385.6	
Cash & Cash Equivalents held outside of the US	$365.0	
Total Debt[2]		**$2,100.0**
5.25% $800m senior unsecured notes due 11/2024	$800.0	
5.75% $800m senior unsecured notes due 8/2025	$800.0	
4.75% $500m senior unsecured notes due 8/2026	$500.0	
$220m unsecured revolving credit facility terminating 8/2021	$0.0	
Net Debt		**$1,349.4**
Total Debt / Adj. EBITDA		**3.5x**
Net Debt / Adj. EBITDA		**2.2x**
Credit Ratings (S&P / Moody's)*		**BB+ / Ba2**

***Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

- No change to approach to capital return; focus continues to be on opportunistic repurchases on market pull backs
- Commitment to deploy capital quickly in the most efficient method to achieve the highest return for shareholders

Strong Balance Sheet

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[1] Includes approximately $125m - $150m in minimum cash balances, which MSCI seeks to maintain for general operating purposes.

[2] Excludes deferred financing fees of $23.4m as of June 30, 2017.

FY 2017 GUIDANCE

(US$ in millions)

Metric	FY 2017 Guidance	
	Previous	Current
Operating expenses	\$690 - \$705	\$690 - \$700
Adjusted EBITDA expenses	\$605 - \$620	\$605 - \$615
Effective tax rate	31.5% - 32.5%	30.0% - 31.0%
Interest expense	\$116	No Change
Net cash provided by operating activities	\$360 - \$410	No Change
Capex	(\$50 - \$40)	No Change
Free cash flow	\$310 - \$370	No Change
Dividend payout	30% - 40%	No Change

Change to FY 2017 Expenses and Effective Tax Rate Guidance

APPENDIX

Supplemental Disclosures & Reconciliation of Non-GAAP Measures to GAAP Measures

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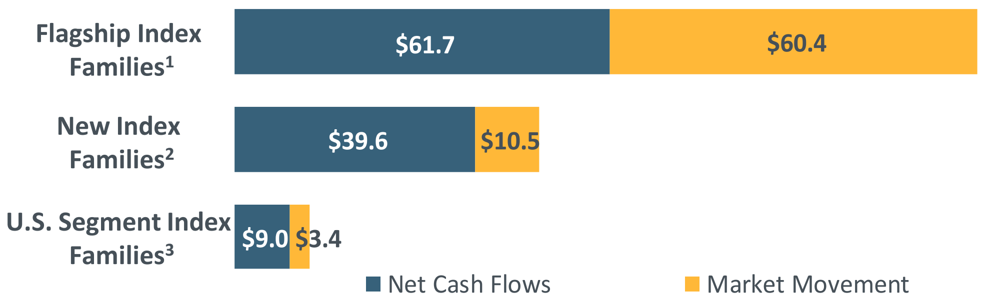
ETFS LINKED TO MSCI INDEXES – DIFFERENTIATED LICENSING

(US$ in billions)

Growth in AUM From ETFs Linked to MSCI Indexes

Q2’17 vs. Q2’16

06/30/16 AUM	% of Total
$319.4	73%
$49.2	11%
$71.1	16%

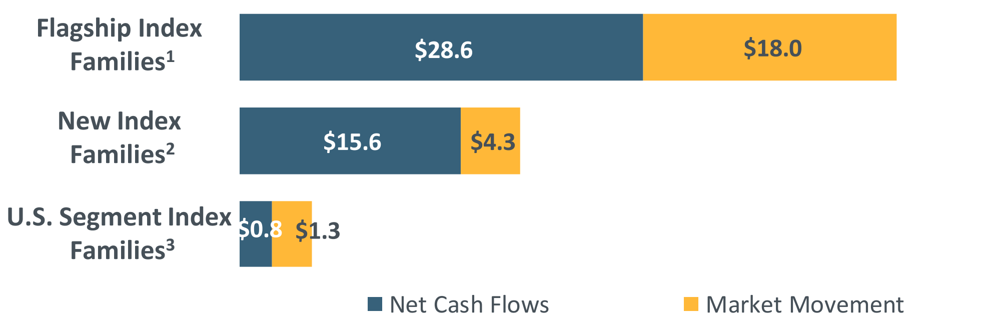


Net Growth
+38%
+102%
+17%

06/30/17 AUM	% of Total
$441.5	71%
$99.3	16%
$83.5	13%

Q2’17 vs. Q1’17

03/31/17 AUM	% of Total
$394.9	71%
$79.4	14%
$81.4	15%



Net Growth
+12%
+25%
+3%

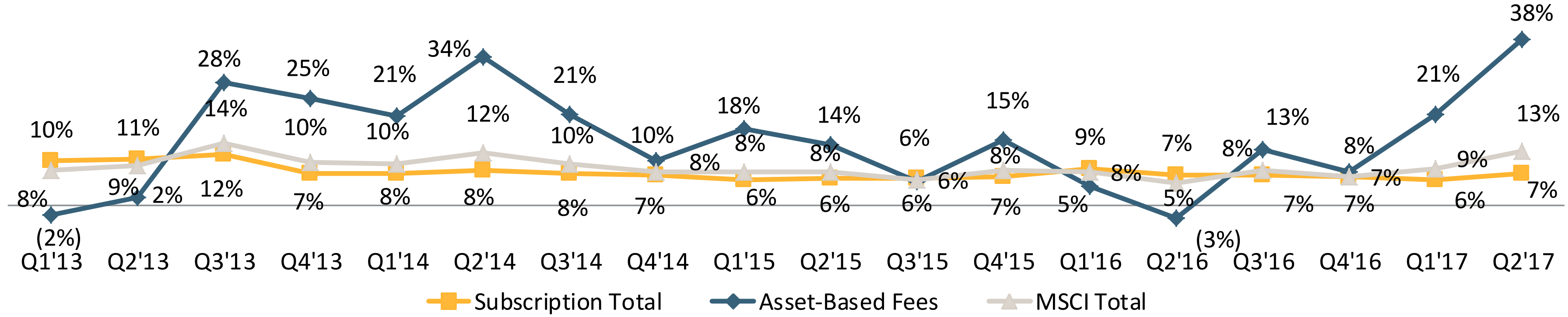
06/30/17 AUM	% of Total
$441.5	71%
$99.3	16%
$83.5	13%

Strong Cash Inflows and Market Appreciation Driving YTD / Q2 Growth

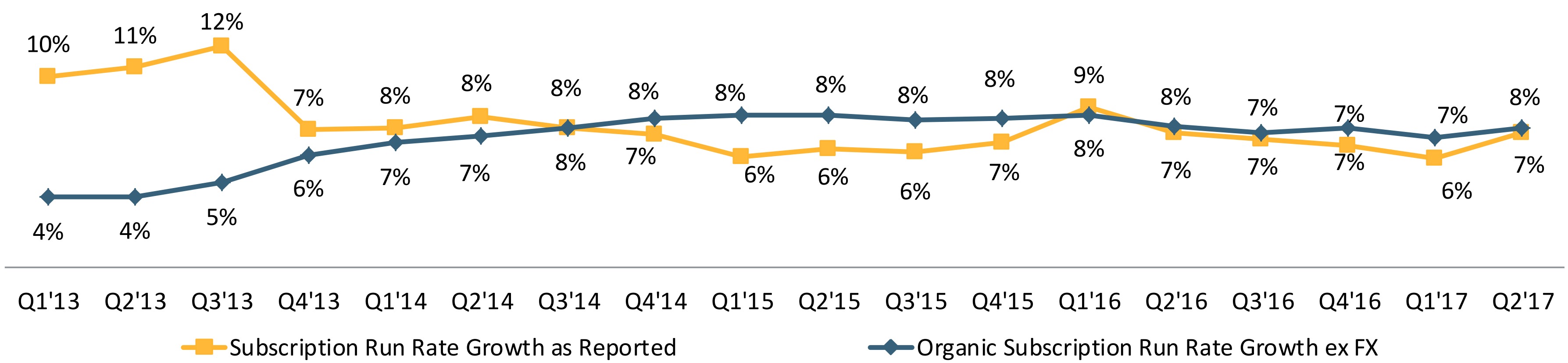
[1] Flagship Index Families, e.g., ACWI, EM, EAFE, Japan etc.
[2] New Index Families, e.g., Developed Market IMI (all market cap sizes), US Minimum Volatility etc.
[3] U.S. Segment Index Families, e.g., US REIT, US Sectors etc.

Q1'13 – Q2'17 YoY RUN RATE GROWTH TREND

YoY Run Rate Growth as Reported

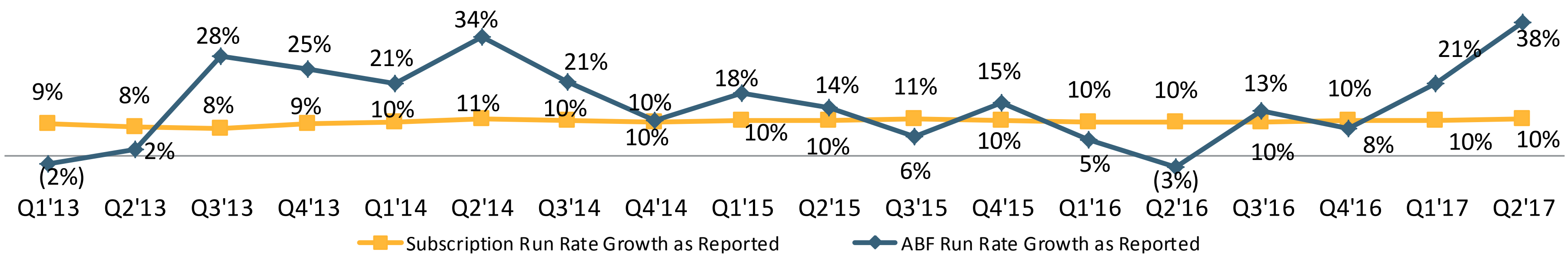


YoY Subscription Run Rate Growth as Reported vs. Organic Growth (excluding FX Impact and Acquisitions/Divestitures)

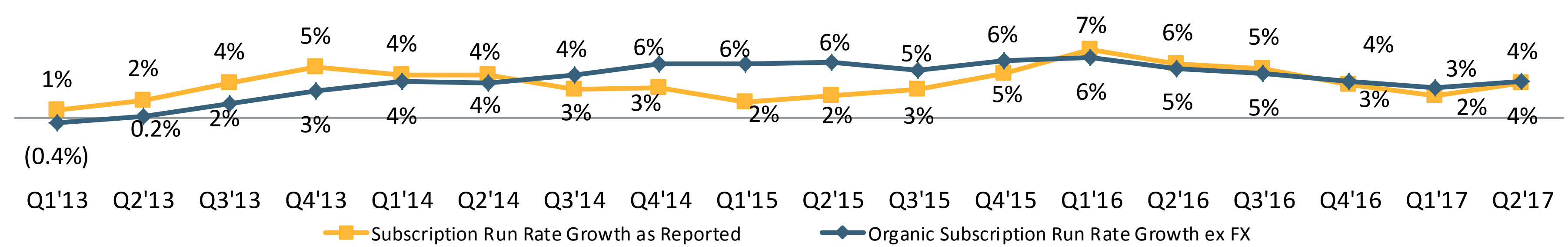


Q1’13 – Q2’17 YoY SEGMENT RUN RATE GROWTH TREND

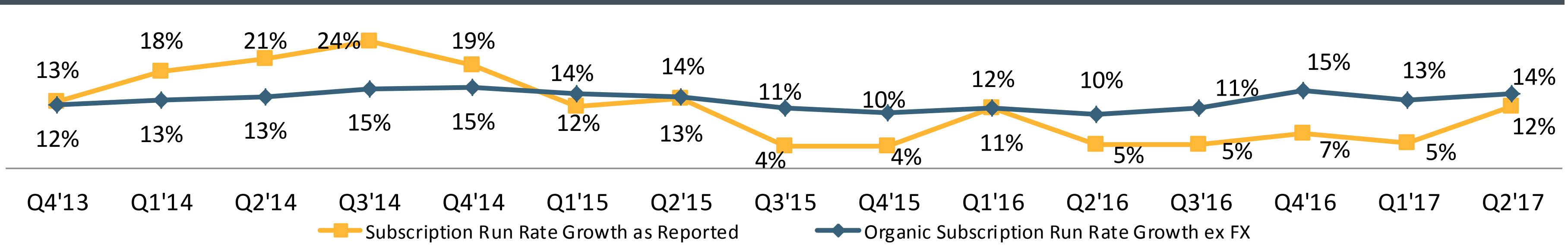
Index



Analytics



All Other



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RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

	Three Months Ended			Six Months Ended	
In thousands	**June 30, 2017**	**June 30, 2016**	**Mar. 31, 2017**	**June 30, 2017**	**June 30, 2016**
Index adjusted EBITDA	$ 129,476	$ 106,518	$ 115,637	$ 245,113	$ 206,567
Analytics adjusted EBITDA	31,741	33,302	29,536	61,277	63,662
All Other adjusted EBITDA	5,032	6,207	5,518	10,550	8,947
Consolidated adjusted EBITDA	**166,249**	**146,027**	**150,691**	**316,940**	**279,176**
Amortization of intangible assets	11,122	11,943	11,251	22,373	23,783
Depreciation and amortization of property, equipment and leasehold improvements	9,159	8,393	8,838	17,997	16,561
Operating income	**145,968**	**125,691**	**130,602**	**276,570**	**238,832**
Other expense (income), net	28,457	25,147	28,977	57,434	47,511
Provision for income taxes	36,245	33,587	28,674	64,919	63,997
Net income	**$ 81,266**	**$ 66,957**	**$ 72,951**	**$ 154,217**	**$ 127,324**

RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED EPS TO NET INCOME AND EPS

In thousands, except per share data	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Three Months Ended Mar. 31, 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Net income	$ 81,266	$ 66,957	$ 72,951	$ 154,217	$ 127,324
Plus: Amortization of acquired intangible assets	10,119	11,943	10,530	20,649	23,783
Less: Gain on sale of investment	(771)	—	—	(771)	—
Less: Income tax effect	(3,146)	(4,001)	(2,972)	(6,118)	(7,967)
Adjusted net income	**$ 87,468**	**$ 74,899**	**$ 80,509**	**$ 167,977**	**$ 143,140**
Diluted EPS	$ 0.89	$ 0.69	$ 0.80	$ 1.68	$ 1.29
Plus: Amortization of acquired intangible assets	0.11	0.12	0.11	0.23	0.24
Less: Gain on sale of investment	(0.01)	—	—	(0.01)	—
Less: Income tax effect	(0.04)	(0.04)	(0.03)	(0.07)	(0.08)
Adjusted EPS	**$ 0.95**	**$ 0.77**	**$ 0.88**	**$ 1.83**	**$ 1.45**

RECONCILIATION OF ADJUSTED EBITDA EXPENSES TO OPERATING EXPENSES

In thousands	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Three Months Ended Mar. 31, 2017	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Full-Year 2017 Outlook(1)
Index adjusted EBITDA expenses	$ 47,680	$ 45,599	$ 47,798	$ 95,478	$ 90,163	
Analytics adjusted EBITDA expenses	81,626	79,091	82,884	164,510	158,994	
All Other adjusted EBITDA expenses	20,534	19,879	19,834	40,368	41,091	
Consolidated adjusted EBITDA expenses	**149,840**	**144,569**	**150,516**	**300,356**	**290,248**	**$605,000 - $615,000**
Amortization of intangible assets	11,122	11,943	11,251	22,373	23,783	85,000
Depreciation and amortization of property, equipment and leasehold improvements	9,159	8,393	8,838	17,997	16,561	
Total operating expenses	**$ 170,121**	**$ 164,905**	**$ 170,605**	**$ 340,726**	**$ 330,592**	**$690,000 - $700,000**

[1] We have not provided a line-item reconciliation for adjusted EBITDA expenses to total operating expenses for this future period because we do not provide guidance on the individual reconciling items between total operating expenses and adjusted EBITDA expenses.

RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Three Months Ended			Six Months Ended		Full-Year
	June 30,	June 30,	Mar. 31,	June 30,	June 30,	2017
In thousands	**2017**	**2016**	**2017**	**2017**	**2016**	**Outlook(1)**
Net cash provided by operating activities	$ 122,217	$ 118,096	$ 37,015	$ 159,232	$ 154,983	$360,000 - $410,000
Capital expenditures	(3,729)	(10,142)	(7,322)	(11,051)	(13,277)	
Capitalized software development costs	(3,306)	(2,763)	(2,307)	(5,613)	(5,088)	
Capex	(7,035)	(12,905)	(9,629)	(16,664)	(18,365)	(50,000 - 40,000)
Free cash flow	**$ 115,182**	**$ 105,191**	**$ 27,386**	**$ 142,568**	**$ 136,618**	**$310,000 - $370,000**

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(1) We have not provided a line-item reconciliation for free cash flow guidance to net cash from operating activities for this future period because we do not provide guidance on the individual reconciling items between net cash from operating activities and free cash flow.

USE OF NON-GAAP FINANCIAL MEASURES

- MSCI has presented supplemental non-GAAP financial measures as part of this earnings presentation. Reconciliations are provided in slides 24-27 that reconcile each non-GAAP financial measure with the most comparable GAAP measure. The non-GAAP financial measures presented in this earnings presentation should not be considered as alternative measures for the most directly comparable GAAP financial measures. The non-GAAP financial measures presented in this earnings presentation are used by management to monitor the financial performance of the business, inform business decision-making and forecast future results.
- "Adjusted EBITDA" is defined as net income before provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and, at times, certain other transactions or adjustments.
- "Adjusted EBITDA expenses" is defined as operating expenses less depreciation and amortization of property, equipment and leasehold improvements and amortization of intangible assets.
- "Adjusted net income" and "adjusted EPS" are defined as net income and diluted EPS, respectively, before the after-tax impact of the amortization of acquired intangible assets and, at times, certain other transactions or adjustments. For periods prior to first quarter 2017, the amortization associated with capitalized software development costs was included as an adjustment to adjusted net income and adjusted EPS as it was not material.
- "Capex" is defined as capital expenditures plus capitalized software development costs.
- "Free cash flow" is defined as net cash provided by operating activities, less Capex.
- We believe adjusted EBITDA and adjusted EBITDA expenses are meaningful measures of the operating performance of MSCI because they adjust for significant one-time, unusual or non-recurring items as well as eliminate the accounting effects of capital spending and acquisitions that do not directly affect what management considers to be our core operating performance in the period.
- We believe adjusted net income and adjusted EPS are meaningful measures of the performance of MSCI because they adjust for the after-tax impact of significant one-time, unusual or non-recurring items as well as eliminate the accounting effects of acquisitions that do not directly affect what management considers to be our core performance in the period.
- We believe that free cash flow is useful to investors because it relates the operating cash flow of MSCI to the capital that is spent to continue and improve business operations, such as investment in MSCI's existing products. Further, free cash flow indicates our ability to strengthen MSCI's balance sheet, repay our debt obligations, pay cash dividends and repurchase shares of our common stock.
- We believe that the non-GAAP financial measures presented in this earnings presentation facilitate meaningful period-to-period comparisons and provide a baseline for the evaluation of future results.
- Adjusted EBITDA expenses, adjusted EBITDA, adjusted net income, adjusted EPS and free cash flow are not defined in the same manner by all companies and may not be comparable to similarly-titled non-GAAP financial measures of other companies.

USE OF OPERATING METRICS

- MSCI has presented supplemental key operating metrics as part of this earnings presentation, including Run Rate, subscription sales and cancellations, non–recurring sales and Aggregate Retention Rate.
- The Run Rate estimates at a particular point in time the annualized value of the recurring revenues under our client license agreements (“Client Contracts”) for the next 12 months, assuming all Client Contracts that come up for renewal are renewed and assuming then-current currency exchange rates, subject to the adjustments and exclusions described below. For any Client Contract where fees are linked to an investment product’s assets or trading volume, the Run Rate calculation reflects, for ETFs, the market value on the last trading day of the period, for futures and options, the most recent quarterly volumes, and for other non-ETF products, the most recent client reported assets. Run Rate does not include fees associated with “one-time” and other non-recurring transactions. In addition, we add to Run Rate the annualized fee value of recurring new sales, whether to existing or new clients, when we execute Client Contracts, even though the license start date may not be effective until a later date. We remove from Run Rate the annualized fee value associated with products or services under any Client Contract with respect to which we have received a notice of termination or non-renewal during the period and determined that such notice evidences the client’s final decision to terminate or not renew the applicable products or services, even though such notice is not effective until a later date.
- Organic subscription Run Rate or revenue growth ex FX is defined as the period over period Run Rate or revenue growth, excluding the impact of changes in foreign currency and the first year impact of any acquisitions. It is also adjusted for divestitures. Changes in foreign currency are calculated by applying the end of period currency exchange rate from the comparable prior period to current period foreign currency denominated Run Rate or revenue. This metric also excludes the impact on the growth in subscription Run Rate or revenue of the acquisitions of IPD, InvestorForce, and GMI for their respective first year of operations as part of MSCI, as well as the divestiture of MSCI’s Real Estate occupiers benchmarking business which closed on August 1, 2016.
- The Aggregate Retention Rate for a period is calculated by annualizing the cancellations for which we have received a notice of termination or for which we believe there is an intention not to renew during the period, and we believe that such notice or intention evidences the client’s final decision to terminate or not renew the applicable agreement, even though such notice is not effective until a later date. This annualized cancellation figure is then divided by the subscription Run Rate at the beginning of the year to calculate a cancellation rate. This cancellation rate is then subtracted from 100% to derive the annualized Aggregate Retention Rate for the period. The Aggregate Retention Rate is computed on a product-by-product basis. Therefore, if a client reduces the number of products to which it subscribes or switches between our products, we treat it as a cancellation. In addition, we treat any reduction in fees resulting from renegotiated contracts as a cancellation in the calculation to the extent of the reduction.

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