

**MSCI Shareholder Meeting Question**  
**Scott Shepard, Free Enterprise Project Coordinator**  
**National Center for Public Policy Research, April 28, 2020**

I'm Scott Shepard with the National Center for Public Policy Research.

MSCI's World ex USA Investable Market Index includes shares of many Chinese state-owned or -directed companies. Investors in that index fund effectively invest in the Chinese government and its instrumentalities.<sup>1</sup> Even before the coronavirus crisis, Senators Rubio and Shaheen, among others, were calling for the Thrift Savings Plan, the federal workers' retirement fund, to stop using the MSCI index as a benchmark for its investments.<sup>2</sup> These calls will only increase as the push to decouple from China, and especially Chinese government-involved entities, grows intense.<sup>3</sup> Will MSCI commit to divesting this and other indexes of Chinese state-involved entities in order to maintain the Thrift Savings Plan as a vast and vital client?

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<sup>1</sup> See, e.g., Kenneth Rapoza, *Senator Rubio Says MSCI Indexes Are Weak On China*, FORBES (Oct. 22, 2019), available at <https://www.forbes.com/sites/kenrapoza/2019/10/22/senator-rubio-says-msci-indexes-are-weak-on-china/#764eaab35d47> (last accessed April 15, 2020); Marco Rubio & Jeanne Shaheen, *Federal retirement savings should not fund China's Communist Party*, CNBC (Sept. 30, 2019), available at <https://www.cnbc.com/2019/09/30/federal-retirement-savings-should-not-fund-chinas-communist-party.html> (last accessed April 15, 2020); Scott Thompson, *Senators Urge Thrift Savings Plan to Reverse Decision to Steer Federal Retirement Savings to China*, MY FEDERAL RETIREMENT (Aug. 27, 2019), available at <https://www.myfederalretirement.com/tsp-i-fund-change/> (last accessed April 15, 2020).

<sup>2</sup> See *id.*

<sup>3</sup> See, e.g., Kenneth Rapoza, *Coronavirus Pandemic Changes Forever The U.S.-China Relationship*, FORBES (March 22, 2020), available at <https://www.forbes.com/sites/kenrapoza/2020/03/22/coronavirus-pandemic-changes-forever-the-us-china-relationship/#32390d0c5dc7> (last accessed April 15, 2020); John Allen, *et al.*, *How the World Will Look After the Coronavirus Pandemic*, FOREIGN POLICY (March 20, 2020), available at <https://foreignpolicy.com/2020/03/20/world-order-after-coronavirus-pandemic/> (last accessed April 15, 2020).