



# FOREIGN POLICY ASSOCIATION

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**FPA Town Hall  
Henry Fernandez Speech  
Thursday, May 31, 2012, 6:30 p.m. – 9:30 p.m.  
The Pierre Hotel, 2 East 61<sup>st</sup> Street at Fifth Avenue, New York, NY**

*Featuring:*

**Henry Fernandez**

MR. HENRY FERNANDEZ: Thank you, Tom. Very kind introduction and my parents, who, unfortunately, are not here today and still alive, would be immensely proud of those remarks. My father, himself, was a diplomat for a number of years, and that's where I was born in Mexico. Thank you again, Tom, for all you've done and your friendship.

As Tom said, I'm a citizen of a few countries but I feel extremely proud to be a citizen of the United States. It didn't started that way because for seven years they tried to kick me out. What Tom did not say was in '79 the revolution took place and since I was born in Mexico and I was a diplomat and I asked for political asylum the United States Immigration Service took the position that I had a second home, to go to live in Mexico.

I had to go to the Mexican Consulate in Miami to a friend of mine and write me a one letter, only copy to me, declaring me persona non grata in Mexico. So, I could send it to the immigration service. But it didn't work. For seven years they tried to deport me. Fortunately, I was a student at the time but then it came the tricky part that Morgan Stanley made me an offer and I had to show my legal papers. So, somehow it worked out and that great firm gave me a lot of opportunities that I'm very proud of.

I'd like to say, though, that in addition to being so pleased to be an American, I am also equally proud to be a citizen of the free world; to be a citizen of the United States of the world. As you can imagine, nowadays, with so many governments and so

many regulations, so many different processes, procedures, one wonders, the role of the nation state in a true global economy. And we are clearly witnessing that in the United States of Europe, question mark?

I would like to also thank the Foreign Policy Association, its Board, its President, Noel Lateef, for this honor and for the terrific work that they do. I don't think there is a time that is more important than today for a lot of the efforts that they put in place and try to make all of us understand the community of nations and how we can relate to one another and prosper together.

I'd like to congratulate my fellow co-honorees. At MSCI sometimes we have a saying that this is being in company of extreme talent and it gets scary. You've got some very talented people here tonight.

I'd like to acknowledge the presence and thank my dear wife Alexia, sitting at that table, my son Henry for all their support, especially on those lonely days and nights in which I'm somewhere in the world visiting one of our offices or one of our clients. And there are so many of them that I'm - - keeping many, many countries nowadays.

I would like to accept this award and this medal tonight not only because of my personal passion and work in globalization but even more importantly because of the tremendous achievements in globalization and in integration of the world of our company, MSCI. A few of my colleagues are here tonight and they will understand what I'm going to say. Three of my directors are here tonight and therefore I got to be on best behavior otherwise it's going to be a rocky board meeting coming up. I'm already persecuted by too many countries so...

MSCI is a story of building a stable global company that unites investors of the world despite some of the limitations that exist in the nation states of our community of countries. And I would like to tell you, briefly, how we built this global enterprise. And Tom mentioned a few of the stats as to how we started and where we are today.

Our global businesses are currently run from various places in the world; from London, Geneva, Berkeley, New York. We're immensely proud that those twenty-five hundred people, of which about fifteen hundred of them are outside the United States are all local. We hire them in each country. But the system that we've achieved to build this global expansion is something that I'd like to share with you briefly, because maybe it becomes an example of how we can knit together this ever shrinking world.

The first principle that we use is about our people and our work. We hire local professionals who are global citizens. So, people who are as comfortable in Seoul as in Sao Paulo, in Mumbai as in Montreal, in Boston as in Beijing. And sometimes our people get carried away with this. In my last visit to our Monterey office, that's Monterey Mexico, not California. The head of the office says to me, Henry, you got to understand that only English is spoken in the office. So, I said, okay, no

problem. So we get into a conference room, I'm supposed to give a town hall meeting, everyone is Mexican, everyone speaks Spanish and I have to give the talk, the whole presentation, in English. So, I said to them, no more globalization here. We got to practice our own language too.

Some of our people, if you look at our Chinese, in Beijing or in Shanghai, twenty-five, twenty-eight, thirty years old, they could might as well be in Berkeley California in Silicon Valley. Some of our people in Mumbai, building models or software could might as well be in London and the like. So those are the kinds of people we are looking for and I know many of you also aspire to do that.

We try to, then, put these people on global teams, virtually, and working on things simultaneously. So, when we build a new index it will be simultaneously built in Geneva, Hong Kong and New York; a new piece of software simultaneously in Berkeley, Budapest and Mumbai. And it gets very challenging but, I think we are all learning how to pull all of this together.

The second principle that we use is about our clients. We focus very much on client needs that transcend borders, nationalities, countries and the like and sometimes it's not easy because, as many of you know who run regulated businesses. It's really self - - process to try to extend to the global economy. But, for us, a portfolio manager in Korea has similar needs to one in France. The Central Bank of Taiwan has similar needs to the Reserve Bank of South Africa. The Sovereign Wealth Fund of Norway, similar needs to the Abu Dhabi Investment Authority and the like, and it is when you go visit those places that you really see globalization working at its best in terms of how people look at the global village.

The third and last principle is about our products. We're in the business of creating products that look at the world as one investment destination. We try to add a great deal of transparency to the investment process and sometimes we get in trouble for that, especially on our governance entity, ISS.

These products unite investors in the world searching for investment opportunities in that one global village. Our indices of equity markets, seventy-five of them around the world, are used in similar ways in Beijing or in Frankfurt or in Boston. Our portfolio risk and analytics are used in a similar way in Amsterdam, in Tokyo and, or in San Francisco.

These three basic global centric principles have shaped our culture, our mindset and they have propelled enormous growth for our company. In sixteen years we gone from \$9 million in revenue to \$900 and approaching a billion, hopefully this year or next.

Our company is an example of what is possible to achieve in mining globalization. I know that there are many other constituents of the world that are afraid of it and may not be benefitting from it. But in our case our thinking has helped forge a community of investors around the world with a common cause.

Lastly, I would like to end with saying that we tell the MSCI story over and over again in many forums in the hope of inspiring others to follow us by building the web of an

interconnected and interdependent world. As a student of foreign policy at Georgetown, and as a diplomat myself and as a believer in democracy, as a victim of communism, persecuted by communist people and the like; I have come to believe that to realize the dream of shared prosperity in the world and lasting peace in this United States of the world we got to achieve a high level of globalization and interconnectivity to be able to prevent war and conflicts and other difficult things. Thank you very much. God bless America and God bless the world.