MSCI Equity Index Committee
7 World Trade Center
250 Greenwich Street
New York, NY 10007

December 17, 2025

Re: **Feedback on Proposed Eligibility Standards for Digital Asset Treasury Companies**

Dear Members of the MSCI Equity Index Committee,

Miller Value Partners appreciates the opportunity to comment on MSCI's proposed eligibility standards regarding companies that hold digital assets as part of their treasury strategy. We recognize the importance of index integrity and risk management, however, we believe the proposed framework could hard-code an arbitrary judgment that is likely to age poorly at a clear and widely acknowledged inflection point for digital assets and capital markets.

The Risk of Fossilizing Indices at the Wrong Moment

Index methodologies are, by design, durable. That durability becomes a liability when index committees adopt exclusions during periods of rapid structural change. Digital assets are here to stay: they appear on public company and nation state balance sheets, trade in regulated markets and count as collateral for loans. They are among the most innovative concepts in capital markets and in high demand from end investors.

By excluding companies based solely on the presence of digital assets on their balance sheets, MSCI risks anchoring its indices to a rear-view-mirror definition of capital at precisely the moment markets are repricing what constitutes a legitimate store of value. Once embedded, such exclusions are difficult to unwind, effectively locking benchmarks to yesterday's technology and assumptions just as the investable universe evolves.

Lessons From Peers Who Tried to "Protect" Investors

Recent industry history provides cautionary examples. Several prominent asset managers and index-adjacent institutions, including Vanguard, chose to restrict or withhold digital asset exposure on the grounds of investor "protection." Decision-makers framed this as

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prudential but in practice placed institutional precedent ahead of persistent and observable client demand.

The outcome was not reduced interest in digital assets. Investors sought exposure elsewhere, competitors gained share, and the original institutions later revised those positions in ways that were more abrupt and reputationally costly than adapting earlier would have been. MSCI risks a similar outcome if it codifies exclusions that deny index users exposure to the most innovative and fastest-growing segments of the economic landscape.

Mischaracterizing Operating Companies as "Investment Funds"

We are particularly concerned by the suggestion that companies holding digital assets as treasury reserves should be treated as de facto "investment funds." This characterization is misguided and punitive, resting entirely on the form of a company's choice of a capital denominator rather than on its operating reality.

Markets value companies' operating businesses even when substantial portions of their balance sheets consist of financial assets. Berkshire Hathaway, for example, holds hundreds of billions of dollars in marketable securities. MSCI does not classify Berkshire as an investment fund because those assets are denominated in dollars and equities rather than in digital form.

The distinction, therefore, is not functional — it is subjective and cosmetic. To reclassify an operating company as an investment fund solely because it elects to hold a portion of its treasury in digital assets is provincial and wrong, as it substitutes asset prejudice for economic analysis and results in materially inconsistent index treatment for otherwise comparable businesses. Companies have long exercised discretion over treasury assets, including cash, foreign currencies, commodities, derivatives, and equity stakes. Digital assets fall within this established continuum. Singling them out for exclusion creates an arbitrarily narrow definition of what qualifies as an acceptable corporate asset and produces discriminatory effects without a commensurate improvement in investor protection or benchmark quality, and if past is precedent, it may continue to harm investor returns.

Consequences for Benchmark Relevance and Commercial Implications for MSCI

MSCI's benchmarks derive their value from representativeness. Excluding companies that integrate digital assets into operating businesses risks degrading that representativeness and could force index users to seek exposure through less transparent or less efficient alternatives. Over time, the greater risk is not volatility, but irrelevance: what if, at some point in the future, every company elects to store most of their treasury assets outside of the fiat system?

MSCI's indices compete not only on rigor, but on relevance. If market participants come to view MSCI benchmarks as systematically underrepresenting emerging sources of economic value, clients will increasingly question whether those benchmarks remain the most appropriate reference points for asset allocation, product development, and performance measurement.

In a market where alternative indices and bespoke benchmarks are increasingly easy to construct and distribute, rigidity is not neutral - it is a competitive disadvantage. Decisions that narrow the investable universe today may constrain MSCI's strategic flexibility tomorrow, particularly if client demand continues to evolve faster than index policy. The longer-term risk is gradual disintermediation as capital migrates toward benchmarks that better reflect the opportunities and risks in modern markets.

Conclusion

At moments of transition, institutions face a choice between adaptability and entrenchment. History suggests that those who lock in restrictive definitions at inflection points are often forced into abrupt reversals after a decline in credibility and relevance.

We respectfully urge MSCI to avoid embedding a static and increasingly stale view of capital into its eligibility standards and instead adopt a forward-looking, asset-agnostic framework consistent with its role as a neutral steward of global benchmarks.

We appreciate the opportunity to provide feedback and welcome continued dialogue on this important issue.

Sincerely,

/s/ William H Miller IV

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