December 4, 2025

Henry A. Fernandez
Chairman and Chief Executive Officer
MSCI, Inc.
7 World Trade Center
250 Greenwich Street
New York, NY 10007

*Via U.S. mail*

**RE: Strive Comments Regarding Proposed Exclusion of Bitcoin Treasury Companies**

Dear Mr. Fernandez,

Thank you for the opportunity to provide feedback on the potential exclusion of companies with significant Bitcoin holdings from the MSCI Global Investable Market Indexes. Strive is a Nasdaq-listed structured finance company and institutional asset manager. We write to express serious concerns about this proposal and suggest alternatives.

We have set Bitcoin as our hurdle rate for capital deployment because of our fiduciary duty to maximize long-term value for shareholders. This creates a higher level of accountability than a traditional operating business, since our decisions are measured against an appreciating asset instead of a depreciating fiat currency. Our preferred stock SATA exemplifies Strive's approach: a publicly-traded security that aims to provide investors cashflow as we capture GAAP income from the spread between its financing cost and the future return of our Bitcoin holdings. Our experience gives us practical perspective on the interaction between Bitcoin and institutional asset management.

We are shareholders of MSCI through our funds, which rely on passive indices to give our clients equity exposure. We share your belief in the power of passive investing to build long-term wealth. But we fear this proposal departs from that vision by foregoing a neutral definition of what it means to own the market–imposing costs on passive investors and MSCI's shareholders, constraining business innovation in the United States, and harming the economy.

We understand but reject the view that digital asset treasuries resemble investment funds more than operating businesses. Many corporations with large Bitcoin holdings produce meaningful goods and services. Our own Bitcoin reserve enables our growing operations in structured finance. Strategy, the market leader in Bitcoin structured finance, has issued several products this year that provide solutions to retail and institutional investors. Some of the companies with the largest Bitcoin holdings are miners who are becoming important AI infrastructure providers.

These new business models may succeed or fail, like any enterprise. However, an index provider's purpose is not to take a view, but to accurately reflect the equity universe so investors need not judge the wisdom of individual business strategies. Even vocal critics of digital asset treasury strategies share this belief.[1]

MSCI would depart from this proven neutrality if it redefined the market by excluding companies whose digital asset holdings comprise more than 50% of total assets. The 50% threshold is not only unjustified, but overbroad and unworkable. As written, it would unintentionally reduce exposure to growth sectors, fail to capture issuers it intends to, and treat companies with identical digital asset holdings very differently due only to domicile and accounting regime.

The proposal is particularly prone to backfiring on your clients and shareholders because, unlike U.S. GAAP fair value accounting, IFRS standards allow international digital asset treasuries to book their assets at cost even as they appreciate.[2] Companies that would be excluded in the U.S. can easily stay under the 50% threshold if they list or migrate into MSCI's international indices, the very flagship products that differentiate it among institutional customers. The proposal could inadvertently increase client exposure to digital asset treasuries while attempting to reduce it.

We respectfully submit that there are better ways to address client concerns about digital assets. MSCI already offers bespoke solutions for a variety of institutional preferences: ordinary tools like custom indices, thematic exclusions, ESG overlays, and digital asset screens would precisely target each client's particular misgivings without forcing their investment thesis on all market participants. While we may disagree with the merits of these choices, we respect the ability for investors to create custom indices reflecting their unique views and constraints.

We believe in the potential of Bitcoin operating businesses, but we do not ask you to agree; we simply ask that you let the market decide. We believe if you had a fuller understanding of how this emerging category operates you would decline to adopt the 50% threshold.

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## 1. Leading Bitcoin treasury companies operate businesses, not investment funds

Some of your clients may want assurance their equity allocations contain economic actors rather than vehicles for assets they could manage separately or forego, like cryptocurrencies. But the 50% exclusion threshold is a blunt instrument that risks cutting off all clients from economic successes passive equity sleeves aim to capture. The largest corporations on MSCI's preliminary exclusion list are Bitcoin treasuries at the forefront of secular growth trends in structured finance and AI.

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[1] For one example, see Matt Levine's "Put the Crypto in Index Funds," *Bloomberg*, July 15, 2025, https://www.bloomberg.com/opinion/newsletters/2025-07-15/put-the-crypto-in-the-index-funds

[2] "Accounting for Cryptocurrencies (IFRS® Accounting Standards vs US GAAP) - BDO." *Top Accounting Firms NZ - Tax, Audit & Advisory Services | BDO NZ - BDO*, https://www.bdo.nz/en-nz/blogs/financial-reporting-insights/accounting-for-cryptocurrencies

MARA Holdings, Riot Platforms, and Hut 8, for instance, are Bitcoin miners who are the second, seventh, and twelfth largest public corporate holders of Bitcoin, respectively.[3] CleanSpark is ninth and could join your exclusion list soon. All these miners are rapidly diversifying their data centers to provide power and infrastructure for AI computing. But even as AI revenue comes in, their Bitcoin will remain, and your exclusion would too, curtailing client participation in the fastest-growing part of the global economy.

Bitcoin miners have recently become vendors of choice for tech giants' computing needs. Many analysts argue that the AI race is increasingly limited by access to power, not semiconductors.[4] Bitcoin miners are ideally positioned to meet this rising demand, with long-term power purchases already lined up and campuses and cooling already built, saving hyperscalers years of development. Smaller miners months earlier in this diversification have been among the market's top performers, signing multiple near-$10 billion deals with customers like Google, Microsoft, and Amazon.[5]

Notably, Google's recent transactions involve taking equity stakes in its mining partners.[6] Yet MSCI's proposal to exclude new entrants in this segment from its indices merely because they mine and store profits in Bitcoin would deprive regular investors of that same economic participation.

Before it became the world's largest company, Nvidia spent decades designing chips for video games. Passive investing captured its gains for gaming skeptics anyway when those chips were suddenly repurposed for AI. Are Bitcoin miners repurposing their infrastructure to make deals with the same customers entirely different? Perhaps, but that would be an active decision relying on an investment thesis, not a suitable default for passive investors.

Another growth theme with strong institutional backing is emerging in Bitcoin structured finance. JPMorgan Chase, Morgan Stanley, Goldman Sachs, and Citigroup have all filed prospectuses to issue a variety of structured notes linked to Bitcoin's returns, some focused on Bitcoin upside with downside protection, others on high coupon yield.[7] New Hampshire recently launched the first Bitcoin-backed municipal bond.[8]

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[3] "Top 100 Public Bitcoin Treasury Companies." https://bitcointreasuries.net/

[4] "Can US infrastructure keep up with the AI economy?" *Deloitte Research Center for Energy & Industrials*, June 24, 2025, https://www.deloitte.com/us/en/insights/industry/power-and-utilities/data-center-infrastructure-artificial-intelligence.html

[5] See "IREN Secures $9.7bn AI Cloud Contract with Microsoft," *Iris Energy*, Nov. 3, 2025, https://irisenergy.gcs-web.com/news-releases/news-release-details/iren-secures-97bn-ai-cloud-contract-microsoft

[6] See "TeraWulf Announces Fluidstack Expansion with 160 MW CB-5 Lease at Lake Mariner," *TeraWulf*, August 18, 2025, https://investors.terawulf.com/news-events/press-releases/detail/114/terawulf-announces-fluidstack-expansion-with-160-mw-cb-5 and "Cipher Mining Signs 168 MW, 10-Year AI Hosting Agreement with Fluidstack," *Cipher Mining*, Sept. 25, 2025, https://investors.ciphermining.com/news-releases/news-release-details/cipher-mining-signs-168-mw-10-year-ai-hosting-agreement

[7] See "Preliminary Pricing Supplement, Auto-Callable Dual Directional Trigger PLUS Based on the Value of the iShares® Bitcoin Trust ETF," *JPMorgan Chase Financial Company LLC*, Nov. 14, 2025, https://www.sec.gov/Archives/edgar/data/19617/000121390025110457/ea0265632-01_424b2.htm

[8] "New Hampshire Launches First Bitcoin-Backed Municipal Bond," *Crypto in America*, Nov. 18, 2025, https://www.cryptoinamerica.com/p/new-hampshire-launches-first-bitcoin-6a6

Yet Strategy and Metaplanet, the first and fourth largest public corporate holders of Bitcoin, sit atop your preliminary exclusion list as investment funds despite their products in the same category. We hold the fourteenth-largest public Bitcoin treasury and have issued Bitcoin-backed structured yield products as well. The central idea behind our version of these offerings is that if Bitcoin appreciates relative to the U.S. dollar over time, we can generate shareholder value by capturing the excess value above our financing costs, an innovative but similar operating model to traditional banks and insurers.

Bitcoin structured finance is as real a business for us as it is for JPMorgan. In fact, we, like other Bitcoin companies, have been open about our intent to make this our core vertical. It would be asymmetric for us to compete against traditional financiers weighed down by a higher cost of capital from passive index providers' penalties on the very Bitcoin enabling our offerings. Investors are already noticing the competition between banks and Bitcoin treasury companies.

The benefits of the free market only materialize if contestants enter its arenas on even footing. If Bitcoin companies face artificial constraints in Bitcoin-backed credit, unburdened financiers will have room to offer consumers less favorable terms.

Both structured finance and AI infrastructure demonstrate how Bitcoin treasuries' business operations create different value propositions than Bitcoin itself. Both are counter-cyclical: computing revenue is largely independent of Bitcoin's price, and issuers like Strategy and ourselves have found strong demand for our structured yield products during Bitcoin downturns. The durability and upside of economic operations offer equity investors fundamentally distinct long-term return profiles from Bitcoin or its derivatives.

These examples of Bitcoin companies leading secular growth trends raise a larger point about passive investing: how many could have anticipated them a year ago? How many investors will foresee the next tie between Bitcoin and the broader economy? Jack Bogle's original thesis was that the best most investors can do is own the market and let it choose the winners. We agree.

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## 2. The 50% exclusion threshold is unworkable in practice

Justification aside, our experience as an asset manager gives us pause about the practicality of this proposal. Tying index inclusion to a numeric threshold for famously volatile assets could cause more frequent turnover in funds benchmarked to MSCI's products. This would raise management costs and tracking error as companies flicker in and out of funds in proportion to their holdings' volatility. But the implementation challenges go far deeper.

The most fundamental is the difficulty of measuring when digital asset holdings reach 50%. There are an increasing variety of instruments by which companies gain that exposure, many complex. If a company holds Bitcoin structured products like JPMorgan's or Strategy's, does that count toward the 50%? Would it vary depending on the product, or would instruments beyond spot holdings offer ready ways of avoiding MSCI's rule?

The question is not theoretical. Trump Media & Technology Group Corp., holder of the tenth largest public Bitcoin treasury, did not appear on your preliminary exclusion list because its spot holdings comprised just under 50% of total assets. Yet Trump Media is not there simply because it is the first large treasury to seek substantial digital asset exposure through derivatives and ETFs. Adding those, which it reported as trading securities, would have brought it above 60%. It also has a pending transaction forming Trump Media Group CRO Strategy, Inc., a digital asset treasury company targeting $6.4 billion in CRO token holdings, which will appear on its balance sheet as an equity stake.[9]

This measurement problem is beginning to show up elsewhere in the category. Nakamoto Holdings has a business model involving investing in other Bitcoin treasury companies; Metaplanet is scaling its derivatives operations. As large treasuries shift digital asset exposure between instruments counted and not counted by MSCI, including exercising sizable derivatives positions to acquire spot holdings, some will cross the 50% threshold, exacerbating the problem of high index turnover.

Rather than cataloging all the complexities involved in measuring true digital asset exposure, we will simply note that operationalizing a 50% threshold in a consistent, auditable way would be very difficult. In our own work we have found standard financial databases inadequate to the task.

These implementation challenges are compounded by differences in U.S. and international accounting standards. Here the risk to your shareholders is particularly acute: the exclusion proposal could unwittingly increase digital asset exposure in MSCI's industry-standard international indices, accomplishing the opposite of what it intends.

Recent changes to U.S. GAAP standards require companies to mark digital assets to fair value each period. International issuers reporting under IFRS, however, can classify them as intangible assets measured at cost, making them appear a much smaller share of total assets. The result is that MSCI index inclusion would depend less on economic substance than accounting regime and listing venue.

That arbitrariness is especially concerning for MSCI's flagship international indices, which many institutions rely on precisely because they offer a coherent global methodology. Digital asset treasuries ineligible for its U.S. indices could remain under the 50% line if they list or migrate into markets where IFRS or local GAAP permits more forgiving treatment. In practice, the rule could inadvertently increase client exposure to these business models in their international allocations while giving the impression such exposure has been reduced.

The 50% exclusion threshold treats companies with similar digital asset exposure differently within jurisdictions and across them. A variety of instruments escape it; identical holdings can trigger exclusion in the U.S. but not internationally. The result is a rule both underinclusive and arbitrary, missing much of what it aims to measure and treating what it does capture inconsistently. Any attempt to close these gaps would require MSCI to build a discretionary system across instruments and

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[9] Trump Media & Technology Group Corp. Q3 Form 10-Q, https://s3.amazonaws.com/sec.irpass.cc/2660/0001140361-25-040977.pdf

accounting regimes, resembling an active overlay far more than a simple index screen. At that point, why not offer active overlays instead?

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### 3. MSCI should rely on customization for better solutions

We believe the path forward is not to hardwire a controversial judgment about digital asset treasuries into MSCI's definition of the equity universe, but to separate clearly between neutral benchmarks and client-specific preferences. Relying on your existing toolkit of custom solutions would transform this problem from a market-altering move with unknowable risks into another revenue-generating business.

For the MSCI Global Investable Market Indexes, the cleanest solution is to retain eligibility for operating companies that meet existing size, liquidity, and free-float criteria, regardless of the percentage of assets held in digital assets. Concerns about exposure to digital asset treasury strategies can then be addressed through the array of tools MSCI already offers.

One straightforward option would be to create explicit "ex-Digital Asset Treasury" variants of existing indices, like MSCI USA ex Digital Asset Treasuries and MSCI ACWI ex Digital Asset Treasuries, using a transparent screen that clients can opt into. Asset owners that wish to avoid these companies could select those benchmarks, while others could continue to use the standard indices that most closely represent the full investable equity universe. For institutions that rely on separately managed accounts or customized mandates, the cost of switching to these new benchmarks would be minimal.

One shortcoming of the exclusion proposal we have not yet mentioned is that it is too broad to fully meet the needs of clients skeptical of digital asset exposure. The blunt instrument not only fails to consider the situation of individual companies, it fails to address the concerns of individual critics.

A pension fund that prides itself on ESG strategies might be concerned about Bitcoin miners' energy usage, rightly or wrongly, while having no objection to Strategy. Its needs would be best met by an ESG overlay. Another investor might feel digital assets that have passed SEC scrutiny are acceptable in its equity allocation but be uncomfortable with DOGE treasury companies. Its needs would be best met with a screen based on SEC approvals of spot ETFs or allowing Bitcoin treasury companies while excluding other digital assets. The possibilities for targeted client satisfaction are endless.

In our view, this is exactly what a leading index provider should do: keep its flagship benchmarks as neutral and representative as possible, and use custom indices, overlays, and asset class screens to implement the active preferences of particular clients. MSCI does not have to decide which side is right; it only must ensure that the market has a fair, transparent architecture within which to decide for itself.

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**4. Conclusion**

We believe in both Bitcoin and passive investing. We are building our own business on the conviction that Bitcoin will remain a critical part of the global financial system and that neutral, low-cost index funds are still the best way for most investors to access public equities. Those beliefs are compatible.

Equal treatment across asset classes is essential to the credibility of any equity benchmark. Index providers do not exclude energy companies whose oil reserves dominate their balance sheets, gold miners whose value depends largely on the metal they extract, or financial firms whose assets consist mostly of securities and derivatives. These issuers are rightly treated as operating companies and included in broad equity indices. Creating a special exclusion rule for digital assets alone would depart from that tradition without regulatory or economic rationale.

If the digital asset treasury exclusion proposal goes forward, many parties will suffer costs, some foreseeable, some yet to be discovered. Innovative companies cut off from capital, passive investors seeking exposure to them, clients expecting consistent benchmarks—all would be worse off. We respectfully urge you to reconsider.

Sincerely,

Matt Cole

Matt Cole
Chairman and Chief Executive Officer
Strive, Inc.