Risk Factors Comparison 2023-10-27 to 2022-10-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The following risks could materially and adversely affect our business, financial condition, results of operations, and cash flows and, as a result, the trading price of our common stock could decline. These risk factors do not identify all risks that we face; our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations. Due to risks and uncertainties, known and unknown, our past financial results may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. Investors should also refer to the other information set forth in this Annual Report on Form 10- K, including Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements including the related Notes. Investors should carefully consider all risks, including those disclosed here, before making an investment decision. Technology & Data Security Risks Loss, corruption and misappropriation of data and information relating to clients and others Many of our products, as well as our internal systems and processes, involve the collection, retrieval, processing, storage and transmission through a variety of media channels of our own, as well as supplier and customer, proprietary information and sensitive or confidential data. We rely on, and continuously invest in, a complex system of internal processes and controls, along with policies, procedures and training, designed to protect data that we receive in the ordinary course of business, including information from client portfolios and strategies. However, these measures do not guarantee security, and improper access to or release of confidential information may still occur through, for example, employee error or malfeasance, system error, other inadvertent release, failure to properly purge and protect data, or ~~cyberattack~~ **cybersecurity threats or attacks** . Additionally, the maintenance and enhancement of our systems may not be completely effective in preventing loss, unauthorized access or misappropriation. Data misappropriation, unauthorized access or data loss could instill a lack of confidence in our products and systems and damage our brand, reputation and business. Breaches of security measures could expose us, our clients or the individuals affected to a risk of loss or misuse of this information, potentially resulting in litigation and liability for us, as well as the loss of existing or potential clients and suppliers. Many jurisdictions in which we operate have laws and regulations relating to data privacy and protection of personal information, including, for example, the European Union **' s** General Data Protection Regulation, ~~which became effective May 25, 2018, the~~ **an increasing number of U. S. state** laws **,** ~~of multiple U. S. states~~ such as California' s Consumer Privacy Act ~~, which became effective January 1, 2020,~~ and **Connecticut' s Personal Data Privacy and Online Monitoring Act,** China' s Personal Information Protection Law, ~~which became effective November 1, 2021~~ **and India' s Digital Personal Data Protection Act** . These laws contain requirements regarding the handling of personal and sensitive data, including our use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. The law in this area continues to develop and the changing nature of ~~privacy~~ **these** laws could impact our processing **and cross- border transfer** of personal and sensitive information related to our content, operations, employees, clients, ~~and~~ suppliers **and others** , and may expose us to claims of violations. Successful **access to** prohibited data ~~access~~ and other cyber- attacks and the failure of cyber- security systems and procedures In providing our digital- enabled services to clients, we rely on information technology infrastructure that is managed internally along with placing reliance on third- party service providers for critical functions. We and these third- party service providers are subject to the risks of system failures and security breaches, including cyber- attacks (~~including~~ **such as** those sponsored by nation- states, terrorist organizations, or global corporations seeking to illicitly obtain technology or other intellectual property ~~), such as~~ **and those accomplished by** phishing scams, hacking, viruses, denials of service attacks, tampering, intrusions, physical break- ins, ransomware and malware **),** as well as employee errors or malfeasance. In some cases, these risks might be heightened when employees are working remotely. Our and our vendors' use of mobile and cloud technologies may increase our risk for such threats. Our ~~protectivesystems~~ **protective systems** and procedures and those of third parties to which we are connected, such as cloud computing providers, may not be effective against these threats. Our information technology systems must be constantly updated and patched to protect against known vulnerabilities and to optimize performance. While we have dedicated resources responsible for maintaining appropriate levels of cybersecurity and implemented systems and processes intended to help identify cyberattacks and protect and remediate our network infrastructure, we are aware that these attacks have become increasingly frequent, sophisticated, and difficult to detect and, as a result, we may not be able to anticipate, prevent or detect all such attacks. We also may be impacted by a cyberattack targeting one of our vendors or within our technology supply chain or infrastructure. Our contracts with service providers typically require them to implement and maintain adequate security controls, but we may not have the ability to effectively monitor these security measures. As a result, inadequacies of the third- party security technologies and practices may not be detected until after a security breach has occurred. These risks may be heightened in connection with employees working from remote work environments, as our dependency on certain service providers, such as video conferencing and web conferencing services, has significantly increased. In addition, to access our network, products and services, customers and other third parties may use personal mobile devices or computing devices that are outside of our network environment and are subject to their own security risk. We could suffer significant damage to our brand and reputation: if a cyber- attack or other security incident were to allow unauthorized access to, or modification of, clients' or suppliers' data, other external data, internal data or information technology systems; if the services provided to clients were disrupted; or if products or services were perceived as having security vulnerabilities. The costs we would incur to address and resolve these security incidents would increase our expenses. These types of security incidents could also lead to lawsuits, regulatory investigations and claims, loss of business and increased legal liability. Cyberattacks, security breaches or third- party reports of perceived security vulnerability to our systems, even if no breach has occurred, also could damage our brand and reputation, result in litigation, regulatory actions, loss of client confidence and increased legal liability. We also make acquisitions periodically. While significant effort is placed on addressing information technology security issues with respect to the acquired companies, we may inherit such risks when these acquisitions are integrated into our infrastructure. **While we maintain insurance coverage that is intended to address certain aspects of cybersecurity and data protection risks, such coverage may not include, or may not be sufficient to cover, all or the majority of the costs, losses or types of claims.** A prolonged or recurring outage at our data centers and other business continuity disruptions at facilities could result in reduced service and the loss of clients Our clients rely on us for the delivery of time- sensitive, up- to- date data and applications. Our business is dependent on our ability to process substantial volumes of data and transactions rapidly and efficiently on our computer- based networks, database storage facilities, and other network infrastructure, which are located across multiple facilities globally. If we experience significant growth of our customer base or increases in the number of products or services or in the speed at which we are required to provide products and services, it may strain our systems. Additionally, our systems and networks may become strained due to aging or end- of- life technology that we have not yet updated or replaced. Our computer operations, as well as our other business centers, and those of our suppliers and clients, ~~are~~ **may be** vulnerable to interruption by fire, natural disaster, **extreme weather or climate conditions,** power loss, telecommunications failures, terrorist attacks, acts of war ~~,~~ **or** civil unrest, internet failures, computer viruses ~~,~~ **or** security breaches **, employee or systems errors** , and other events beyond our reasonable control. In addition, in the remote work environments, the daily activities and productivity of our workforce is now more closely tied to key vendors, such as video conferencing services, consistently delivering their services without material disruption. Our ability to deliver information using the internet and to operate in a remote working environment may be impaired because of infrastructure failures, service outages at third- party internet providers, malicious attacks, or other factors. We also currently use multiple providers of cloud services; however, one supplier provided the majority of our cloud computing support for **fiscal** ~~the twelve months ended August 31, 2022~~ **2023** . While we believe this provider to be reliable, we have limited control over its performance, and a disruption or loss of service from this provider could impair our system' s operation and our ability to operate for a period of time. We maintain back- up facilities and certain other redundancies for each of our major data centers to minimize the risk that any such event will disrupt those operations. However, a loss of our services involving our significant facilities may materially disrupt our business and may induce our clients to seek alternative data suppliers. Any such losses or damages we incur could have a material adverse effect on our business. Although we seek to minimize these risks through security measures, controls, back- up data centers and emergency planning, there can be no assurance that such efforts will be successful or effective. Additionally, we may also face significant increases in our use of power and data storage and may experience a shortage of capacity and increased costs associated with such usage. Transition to new technologies, applications and processes could expose us to unanticipated disruptions The technology landscape is constantly evolving. To remain competitive, we must adapt and migrate to new technologies, applications and processes. Use of more advanced technologies and infrastructure is critical to the development of our products and services, the scaling of our business for future growth, and the accurate maintenance of our data and operations. The implementation of new technologies and infrastructure, such as migration to new cloud- based systems, is complex and can involve substantial expenditures as well as risks inherent in the conversion to any new system, including potential loss of information and disruption to operations. We may experience unanticipated interruption and delay in the performance and delivery of certain of our products and services. Certain of our technologies are also dependent upon third- party providers to maintain adequate systems to protect the security of our confidential information and data. Failure by our providers to maintain appropriate security could result in unauthorized access to our systems or a network disruption that could further lead to improper disclosure of confidential information or data, regulatory penalties and remedial costs. Any disruption to either the provider' s systems or the communication links between us and the provider could negatively affect our ability to operate our data systems and could impair our ability to provide services to our clients. If the services to our clients are disrupted, or if there is unauthorized access to the confidential information of our clients or our vendors, we could suffer significant damage to our brand and reputation and lose clients. We also may incur increased operating expenses to recover data, repair or remediate systems, equipment or facilities, and to protect ourselves from such disruptions. As we increase our reliance on third- party systems, our exposure to damages from services disruptions may increase, and we may incur additional costs to remedy damages caused by these disruptions. Use of open source software could introduce security vulnerabilities, impose unanticipated restrictions on our ability to commercialize our products and services, and subject us to increased costs We use open source code in our software development and incorporate it into our products and internal systems. The use of open source code may entail greater risks than the use of third- party commercial software. Open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality or security of the code. Some open source licenses provide that if we combine our proprietary applications with the open source software in a certain manner, we could be required to release the source code of our proprietary applications to the public. This would allow our competitors to create similar products with less development effort and time and ultimately put us at a competitive disadvantage. We have implemented procedures to control the use of open source code so as to mitigate this risk; however, the terms of many open source licenses are also ambiguous and have not been interpreted by U. S. or other courts. Therefore, there is a risk that our internal procedures controlling the use of open source code could fail, or that the licenses could be construed in a manner that imposes unanticipated conditions or restrictions on us. If any of this were to occur, we could be required to seek alternative third- party licenses at increased costs or reduced scope, to re- engineer products or systems, or potentially to discontinue the licensing of certain products. Any remedial actions could divert resources away from our development efforts, be time intensive and have a significant cost. **Our use of artificial intelligence technologies may not be successful and may present business, compliance, and reputational risks We use, and will expand our use of, machine learning and artificial intelligence (" AI") technologies in some of our products and processes. If we fail to keep pace**

with rapidly evolving AI technological developments, our competitive position and business results may be negatively impacted. Our use of AI technologies will require resources to develop, test and maintain such products, which could be costly. Third parties may be able to use AI to create technology that could reduce demand for our products. In addition, the introduction of AI technologies, particularly generative AI, into new or existing offerings may result in new or expanded risks and liabilities, due to enhanced governmental or regulatory scrutiny, litigation, compliance issues, ethical concerns, confidentiality, data privacy or security risks, as well as other factors that could adversely affect our business, reputation, and financial results. For example, use of AI technologies could lead to unintended consequences, such as accuracy issues, cybersecurity risks, unintended biases, and discriminatory outputs, could impact our ability to protect our data, intellectual property, and client information, or could expose us to intellectual property claims by third parties.
Strategy & Market Demand Risks Competition in our industry may cause price reductions or loss of market share We continue to experience intense competition across all markets for our products, with competitors ranging in size from smaller, highly specialized, single- product businesses to multi- billion- dollar companies. While we believe the breadth and depth of our suite of products and applications offer benefits to our clients that are a competitive advantage, our competitors may offer price incentives to attract new business. Future competitive pricing pressures may result in decreased sales volumes and price reductions, resulting in lower revenues and ASV. Weak economic conditions may also result in clients seeking to utilize lower-cost information that is available from alternative sources. The impact of cost- cutting pressures across the industries we serve could lower demand for our products. Clients within the financial services industry that strive to reduce their operating costs may seek to reduce their spending on financial market data and related services, such as ours. If our clients consolidate their spending with fewer suppliers, by selecting suppliers with lower- cost offerings or by self- sourcing their needs for financial market data, our business could be negatively affected. The continued shift from active to passive investing could negatively impact user count growth and revenues The predominant investment strategy today is still active investing, which attempts to outperform the market. The main advantage of active management is the expectation that the investment managers will be able to outperform market indices. They make informed investment decisions based on their experiences, insights, knowledge and ability to identify opportunities that can translate into superior performance. The main advantage of passive investing is that it closely matches the performance of market indices. Passive investing requires little decision- making by investment managers and low operating costs which result in lower fees for the investor. A continued shift to passive investing, resulting in an increased outflow to passively managed index funds, could reduce demand for the services of active investment managers and consequently, the demand of our clients for our services. A decline in equity and / or fixed income returns may impact the buying power of investment management clients The majority of our ASV is derived from our investment management clients, and the profitability and management fees of many of these clients are tied to assets under management. An equity market decline not only depresses the value of assets under management but also could cause a significant increase in redemption requests from our clients' customers, further reducing their assets under management. Reduced client profits and management fees may cause our clients to cut costs. Moreover, extended declines in the equity and fixed income markets may reduce new fund or client creation. Each of these developments may result in lower demand from investment managers for our services and workstations, which could negatively affect our business. Uncertainty or downturns in the global economy and consolidation in the financial services industry may cause us to lose clients and users Many of our clients are **asset and wealth managers,** investment **and commercial** ~~banks~~ **bankers** , ~~asset managers~~ **hedge funds** , ~~wealth advisors~~ **private equity and venture capital professionals** , and other financial services entities. Uncertainty or downturns in the global economy or a lack of confidence in the global financial system could negatively impact our clients, which could cause a corresponding negative impact on our business results. Mergers, consolidation or contraction of our clients in the financial services industry also could directly impact the number of clients ~~and~~ **,** prospective clients and users of our products and services. If our clients merge with or are acquired by other entities that are not our clients, or that use fewer of our products and services, they may discontinue or reduce their use of our products and services. Thus, economic uncertainty, economic downturns, lack of confidence in the global financial system, and consolidation in this sector could adversely affect our business, financial results and future growth. Volatility or downturns in the financial markets may delay the spending pattern of clients and reduce future ASV growth The decision on the part of large institutional clients to purchase our services often requires management- level sponsorship and typically depends upon the size of the client, with larger clients having more complex and time- consuming purchasing processes. The process is also influenced by market volatility and market downturns. These characteristics often lead us to engage in relatively lengthy sales efforts. Purchases (and incremental ASV) may therefore be delayed as uncertainties or downturns in the financial markets may cause clients to remain cautious about capital and data content expenditures, particularly in uncertain economic environments. Market volatility or market downturns may curtail our client' s spending and lead them to delay or defer purchasing decisions or product service implementations, or cause them to cancel or reduce their spending with us, which could negatively impact our revenues and future growth. Failure to develop and market new products and enhancements that maintain our technological and competitive position and failure to anticipate and respond to changes in the marketplace for our products and customer demands The market for our products is characterized by rapid technological change, including methods and speed of delivery, changes in client demands, development of new investment instruments and evolving industry standards. The direction of these trends can render our existing products less competitive, obsolete or unmarketable. As a result, our future success will continue to depend upon our ability to identify and develop new products and enhancements that address the future needs of our target markets and to respond to their changing standards and practices. We may not be successful in developing, introducing, marketing, licensing and implementing new products and enhancements on a timely and cost- effective basis or without impacting the stability and efficiency of existing products and customer systems. Further, any new products and enhancements may not adequately meet the requirements of the marketplace or achieve market acceptance. We must make long- term investments and commit significant resources before knowing whether these investments

will eventually result in products and services that satisfy our clients' needs and generate revenues required to provide the desired results. Our failure or inability to anticipate and respond to changes in the marketplace, including competitor and supplier developments, may also adversely affect our business, operations and growth. Errors or defects can exist at any point in a product' s life cycle, but are more frequently found after the introduction of new products or enhancements to existing products. Despite internal testing and testing by clients, our products may contain errors. We may also experience delays while developing and introducing new products for various reasons, such as difficulties in licensing data inputs. Defects, errors, or delays in our products that are significant, or are perceived to be significant, could result in rejection or delay in market acceptance, damage to our reputation, loss of revenues, lower rate of license renewals or upgrades, diversion of development resources, product liability claims or regulatory actions, or increases in service and support costs. We have provisions in our client contracts to limit our exposure to potential liability claims brought by clients based on the use of our products or services or our delay or failure to provide services. Contracts with customers also increasingly include service level requirements and audit rights to review our security. Many of our customers in the financial services sector are also subject to regulations and requirements to adopt risk management processes commensurate with the level of risk and complexity of their third- party relationships, and provide rigorous oversight of relationships that involve certain" critical activities," some of which may be deemed to be provided by us. Any failure on our part to comply with the specific provisions in customer contracts could result in the imposition of various penalties, which may include termination of contracts, service credits, suspension of payments, contractual penalties, adverse monetary judgments, and, in the case of government contracts, suspension from future government contracting. Even if the outcome of any claims brought against us were ultimately favorable, such a claim would require the time and attention of our management, personnel, as well as financial and other resources and potentially pose a significant disruption to our normal business operations. Failure to identify, integrate, or realize anticipated benefits of acquisitions and strains on resources as a result of growth There can be no assurance that we will be able to identify suitable candidates for successful acquisition at acceptable prices. Additionally, there may be integration risks or other risks resulting from acquired businesses, including our acquisition of CGS during fiscal 2022. Our ability to achieve the expected returns and synergies from past and future acquisitions and alliances depends in part upon our ability to integrate the offerings, technology, sales, administrative functions and personnel of these businesses effectively into our core business. We cannot guarantee that our acquired businesses will perform at the levels anticipated. In addition, past and future acquisitions may subject us to unanticipated risks or liabilities or disrupt operations. Growth, such as the addition of new clients and acquisitions, puts demands on our resources, including our internal systems and infrastructure. These may require improvements or replacement to meet the additional demands of a larger organization. Further, the addition of new clients and the implementation of such improvements would require additional management time and resources. These needs may result in increased costs that could negatively impact results of operations. Failure to implement needed improvements, such as improved scalability, could result in a deterioration in the performance of our internal systems and negatively impact the performance of our business. Failure to maintain reputation We enjoy a positive reputation in the marketplace. Our ability to attract and retain clients and employees is affected by external perceptions of our brand and reputation. Reputational damage from negative perceptions or publicity, including without limitation market perception of our sustainability and corporate responsibility policies and practices, could affect our ability to attract and retain clients and employees and our ability to maintain our pricing for our products. Although we monitor developments for areas of potential risk to our reputation and brand, negative perceptions or publicity could have a material adverse effect on our business and financial results. Operational Risks Operations outside the United States involve additional requirements and burdens that we may not be able to control or manage successfully In fiscal ~~2022~~ **2023** , approximately ~~40~~ **39** % of our revenues related to operations located outside the U. S. In addition, approximately ~~79~~ **80** % of our employees are located in offices outside the U. S. We expect our growth to continue outside the U. S. Our non- U. S. operations involve risks that differ from or are in addition to those faced by our U. S. operations. These risks include difficulties in developing products, services and technology tailored to the needs of non- U. S. clients, including in emerging markets; different employment laws and rules; rising labor costs in lower- wage countries; difficulties in staffing and managing personnel that are located outside the U. S.; different regulatory, legal and compliance requirements, including in the areas of privacy and data protection, anti- bribery and anti- corruption, trade sanctions **and restraints** and currency controls, marketing and sales and other barriers to conducting business; social and cultural differences, such as language; diverse or less stable political, operating and economic environments and market fluctuations; civil disturbances or other catastrophic events that reduce business activity, including the risk that the current ~~conflict~~ **conflicts** between Ukraine and Russia **and in the Middle East** ~~expands~~ - **expand** in a way that impacts our business and operations; limited recognition of our brand and intellectual property protection; differing accounting principles and standards; restrictions on or adverse tax consequences from entity management efforts; and changes in U. S. or foreign tax laws. If we are not able to adapt efficiently or manage the business effectively in markets outside the U. S., our business prospects and operating results could be materially and adversely affected. Failure to enter into, renew or comply with contracts supplying new and existing data sets or products on competitive terms We collect and aggregate third- party content from data suppliers, news sources, exchanges, brokers and contributors into our own dedicated ~~online service~~ **managed databases** , which clients access to perform their analyses. We combine the data from these sources into our own dedicated databases. Clients have access to the data and content found within our databases. These databases are important to our operations as they provide clients with key information. We have entered into third- party content agreements of varying lengths, which in some cases can be terminated on one year' s notice at predefined dates, and in other cases on shorter notice. Some of our content provider agreements are with competitors, who may attempt to make renewals difficult or expensive. We seek to maintain favorable contractual relationships with our data suppliers, including those that are also competitors. However, we cannot control the actions and policies of our data suppliers and we may have data suppliers who provide us with notice of termination, or exclude or restrict us from use of their content, or only license such content at prohibitive cost. Additionally, despite our efforts to comply with our third- party data supplier agreements, there can be no assurances that third parties may not challenge our use of their content, which could result in increased licensing costs, loss of rights, and costly legal actions. Certain data sets that we rely on have a limited number of suppliers, although we make every effort to assure that, where reasonable, alternative sources are available. We are not dependent on any one third- party data supplier ~~in order~~ to meet the needs of our clients, with only two data suppliers each representing more than 10 % of our total data costs for **fiscal** ~~the twelve months ended August 31, 2022~~ **2023** . Our failure to be able to maintain ~~these~~ **our supplier** relationships, or the failure of our suppliers to deliver accurate data or in a timely manner, or the occurrence of a dispute with a vendor over use of their content, could increase our costs and reduce the type of content and products available to our clients, which could harm our reputation in the marketplace and adversely affect our business. Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products Each year, an increasing amount of free or relatively inexpensive information becomes available, particularly through the internet, and this trend may continue. The availability of free or relatively inexpensive information may reduce demand for our products. While we believe our service offering is distinguished by such factors as customization, timeliness, accuracy, ease- of- use, completeness and other value- added factors, if users choose to obtain the information they need from public or other sources, our business, results of operations, and cash flows could be adversely affected. Inability to hire and retain key qualified personnel Our business is based on successfully attracting, motivating and retaining talented and diverse employees. Creating a diverse and inclusive environment that promotes empowerment and engagement is key to our ability to attract, retain, and develop talent. Competition for talent, especially engineering personnel, is strong. We need technical resources such as engineers to help develop new products and enhance existing services. We rely upon sales personnel to sell our products and services and maintain healthy business relationships. Our future success also is dependent on the continued service and performance of the members of our senior leadership team. All of these personnel possess business and technical capabilities that are difficult to replace. If we are unsuccessful in our recruiting efforts, or if we are unable to retain key employees, our ability to develop and deliver successful products and services may be ~~adversely~~ **negatively** affected and could have a material, adverse effect on our business. ~~The COVID- 19 pandemic~~ **Pandemics** and other global public health epidemics may adversely impact our business, our future results of operations and our overall financial performance Our business could be materially and adversely affected by the risk, or the public perception of risk, related to a pandemic or widespread health crisis, such as the COVID- 19 pandemic. A significant outbreak, epidemic or pandemic of contagious diseases in the human population could result in a widespread health crisis adversely affecting the broader economies, financial markets and overall demand for our products. In addition, any preventative or protective actions that governments implement or that we take in respect of a global health crisis, such as travel restrictions, quarantines or site closures, may interfere with the ability of our employees, vendors, and data suppliers to perform their respective responsibilities and obligations relative to the conduct of our business, including our ability to gather content. Such results could have a material adverse effect on our operations, business, financial condition, results of operations, or cash flows. ~~To date, the COVID- 19 pandemic has not had a material negative impact on our financial condition, results of operations, or cash flows. However, due to the ongoing uncertainty related to the duration, magnitude and impact of the pandemic, it may still have a substantial negative impact on our employees' or vendors' productivity, which could result in our operations, including our ability to gather content, suffering, and in turn our results of operations, cash flows, and overall financial performance being impacted negatively. Furthermore, if our employees incur substantial medical expenses due to COVID- 19, our expenses may increase due to our self- funded employee medical insurance model. Our management is focused on mitigating the effects of COVID- 19 on our business, which has required and will continue to require a substantial investment of their time and may delay their other efforts. The continued impact of COVID- 19 may also increase the severity or likelihood of the other risks described in this Item, any of which could have a material effect on us. Given the dynamic nature of these circumstances, the extent to which our business, financial condition, results of operations, or cash flows are affected by COVID- 19 will depend in part on future developments which cannot be accurately predicted and are uncertain. The impact of the COVID- 19 pandemic depends upon various uncertainties, including the geographic spread of the virus, the severity of the virus, the duration of the outbreak, and actions that may be taken by governmental authorities to contain the virus. If we are not able to respond to and manage the impact of such events effectively, our business and financial condition could be negatively impacted. Refer to Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations- COVID- 19 Update for additional information.~~ Legal & Regulatory Risks Legislative and regulatory changes in the environments in which we and our clients operate As a business, we are subject to numerous laws and regulations in the U. S. and in the other countries in which we operate. These laws, rules, and regulations, and their interpretations, may **conflict or** change in the future ~~or conflict~~ , and compliance with these changes may increase our costs or cause us to make changes in or otherwise limit our business practices. In addition, the global nature and scope of our business operations make it more difficult to monitor areas that may be subject to regulatory and compliance risk. If we fail to comply with any applicable law, rule, or regulation, we could be subject to claims and fines and suffer reputational damage. Uncertainty caused by political change globally, and complex relationships across countries, including the U. S. and nations in Europe and Asia, heightens the risk of regulatory uncertainty. Many of our clients operate within a highly regulated environment and must comply with governmental legislation and regulations. The U. S. regulators have increased their focus on the regulation of the financial services industry. Increased regulation of our clients may increase their expenses, causing them to seek to limit or reduce their costs from outside services such as ours. Additionally, if our clients are subjected to investigations or legal proceedings they may be adversely impacted, possibly leading to their liquidation, bankruptcy, receivership, reduction in assets under management, or diminished operations, which would adversely affect our revenues. **Some** ~~Recent~~ **recent legislative and** regulatory changes that we believe might materially impact us and our clients include: ~~MiFID In~~ **(a) in** the European Union (" EU **") and the United Kingdom (" UK** "), the Markets in Financial Instruments Directive (recast) (" MiFID II") **, which** became effective in January 2018 ~~. In the United Kingdom (" UK")~~ , ~~laws and regulations implementing~~

~~MiFID II were modified to transpose aspects of EU law and address deficiencies that would have otherwise been created as a result of the UK' s withdrawal from the EU. We believe that compliance with MiFID II requirements is time- consuming and costly for investment managers who are subject to it and may cause clients to adapt their pricing models and business practices significantly. These increased costs may impact our clients' spending and may cause some investment managers to lose business or withdraw from the market, which~~ may adversely affect demand for our services **; (b) in** ~~. However, MiFID II may also present us with new business opportunities for new service offerings. In May 2022,~~ the UK **,** ~~government announced~~ the ~~new~~ **uncertainty surrounding the UK and EU regulatory frameworks following the UK' s departure from the EU in January 2020 (" Brexit"), including the** Financial Services and Markets Bill ~~(" FSM Bill")~~ , ~~which would reform financial service regulation in the UK and represent a divergence from the existing UK MiFID regime. There is no set timescale as to when passage of the FSM Bill would occur. This regulatory reform~~ may ~~impact some of our UK- regulated clients and may require them to devote more resources towards realigning their compliance measures, and in some cases ensuring compliance with both the UK and EU regimes. We continue to monitor and work with our clients to navigate through the impact of UK regulatory change and of MiFID II on the investment process and trade lifecycle. Brexit On January 31, 2020, the UK formally left the EU. On January 1, 2021, the UK left the EU Single Market and Customs Union, as well as all EU policies and international agreements. resulting in two separate markets in the EU and the UK. On December 24, 2020, the EU reached a trade agreement with the UK (the" Trade Agreement"). The Trade Agreement offers UK and EU companies preferential access to each other' s markets, ensuring imported goods will be free of tariffs and quotas; however, economic relations between the UK and EU will now be on more restricted terms than existed previously. The Trade Agreement does not incorporate the full scope of the services sector, and businesses such as banking and finance face uncertainty. In March 2021, the UK and EU had agreed on a framework for voluntary regulatory cooperation and dialogue on financial services issues between the two countries in a Memorandum of Understanding (the" MOU"), which is expected to be signed after formal steps are completed, although this has not yet occurred. In June 2022, following an inquiry, the European Affairs Committee issued a report which concluded that while the outlook for financial services after Brexit seems relatively positive, the impact of Brexit on financial services would be dependent on political decisions made by the UK and the EU. At this time, we cannot predict the impact that the Trade Agreement, the MOU or any future agreements on services, particularly financial services, will have on our business and our clients. It is possible that new terms may adversely affect our operations and financial results. We continue to evaluate our own risks and uncertainty related to Brexit, and partner with our clients to help them navigate the fluctuating international markets. This uncertainty may have an impact on our clients' expansion or spending plans, which may in turn~~ negatively impact our ~~revenue~~ **revenues** or growth ~~. The EU Commission~~ **; and (c) evolving laws, rules and regulations in a variety of jurisdictions around such areas** ~~has~~ **as climate,** ~~adopted adequacy decisions which will allow personal~~ data **privacy** ~~to continue to move freely between the EU and the UK until June 27~~ , **cybersecurity** ~~2025. While these adequacy decisions have created some certainty for our clients~~ , ~~we will continue to monitor developments which may impact their future validity~~ and ~~extension~~ **data protection** . Adverse resolution of litigation or governmental investigations We are party to lawsuits in the normal course of our business. Litigation and governmental investigations can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Unfavorable resolution of lawsuits could have a material adverse effect on our business, operating results or financial condition. For additional information regarding legal matters, see Item 3. Legal Proceedings, of this Annual Report on Form 10- K. Third parties may claim we infringe upon their intellectual property rights or **they** may infringe upon our intellectual property rights We may receive notice from others claiming that we have infringed upon their intellectual property rights. Responding to these claims may require us to enter into royalty and licensing agreements on unfavorable terms, incur litigation costs, enter into settlements, stop selling or redesign affected products, or pay damages and satisfy indemnification commitments with our clients or suppliers under contractual provisions of various license arrangements. Additionally, third parties may copy, infringe or otherwise profit from the unauthorized use of our intellectual property rights, requiring us to litigate to protect our rights. Certain countries may not offer adequate protection of proprietary rights. If we are required to defend ourselves or assert our rights or take such actions mentioned, our operating margins may decline as a result. We have incurred, and expect to continue to incur, expenditures to acquire the use of technology and intellectual property rights as part of our strategy to manage this risk. Additional cost due to tax assessments resulting from ongoing and future audits by tax authorities as well as changes in tax laws In the ordinary course of business, we are subject to changes in tax laws as well as tax examinations by various governmental tax authorities. The global and diverse nature of our business means that there could be additional examinations by governmental tax authorities and the resolution of ongoing and other probable audits which could impose a future risk to the results of our business. In August 2019 ~~and~~ **,** July 2021 **and December 2022** , we received Notices of Intent to Assess (the" Notices") additional sales / use taxes, interest and underpayment penalties from the Commonwealth of Massachusetts Department of Revenue relating to prior tax periods. ~~Based upon a review~~ **We requested pre- assessment conferences with the Department** of **Revenue' s Office of Appeals to appeal** the Notices ~~, we believe the Commonwealth may assess sales / use tax, interest and underpayment penalties on previously recorded sales transactions. We filed an~~ **and in May** ~~appeal to the Notices and we intend to contest any such assessment, if assessed, and continue to cooperate with the Commonwealth' s inquiry. Further, on August 10, 2021~~ **2023** ~~,~~ we received a ~~letter (the"~~ Letter ~~")~~ **of Determination** from the Commonwealth **upholding the** ~~relating to additional prior tax periods, requesting sales information to determine if a notice~~ **Notices** ~~of intent to assess should be issued to FactSet with respect to these tax periods. Based upon a preliminary review of the Letter~~ , **along** ~~we believe the Commonwealth might seek to assess sales / use tax, interest and underpayment penalties on previously recorded sales transactions. As of August 31, 2022, we have concluded that a payment to the Commonwealth is probable. We recorded an accrual which is not material to our consolidated financial statements. While we believe that the assumptions and estimates used to determine the accrual are reasonable, future developments could result in adjustments being made to this accrual. If we are presented~~ with a ~~formal~~ **Notice of** ~~assessment~~

Assessment for **all** ~~any of these~~ -- **the** ~~matters~~ **periods covered by the Notices. On June 22, 2023** , we **filed an Application for Abatement with the Commonwealth disputing all amounts assessed, which was subsequently denied. We are filing petitions with the Appellate Tax Board to appeal all amounts assessed by the Commonwealth and** believe that we will ultimately prevail; however, if we do not prevail ~~,~~ the amount of ~~any~~ **these** ~~assessment~~ **assessments** could have a material impact on our consolidated financial position, results of operations and cash flows. **As of August 31, 2023, we have concluded that some payment to the Commonwealth is probable. We have recorded an accrual which is not material to our consolidated financial statements. While we believe that the assumptions and estimates used to determine the accrual are reasonable, future developments could result in adjustments being made to this accrual.** Changes in tax laws or the terms of tax treaties in a jurisdiction where we are subject to tax could have an impact on our taxes payable. **In addition, as a global taxpayer, we face challenges due to increasing complexities in accounting for taxes in a variety of jurisdictions, which could impact our tax obligations and effective tax rate.** Financial Market Risks Exposure to fluctuations in currency exchange rates and the failure of hedging arrangements Due to the global nature of our operations, we conduct business outside the U. S. in several currencies. Our primary currency exposures include the **Indian Rupee, Euro,** British Pound Sterling ~~, Euro, Indian Rupee~~ and Philippine Peso. To the extent our international activities increase in the future, our exposure to fluctuations in currency exchange rates may increase as well. To manage this exposure, we utilize derivative instruments **, namely** ~~(such as~~ foreign currency forward contracts ~~)~~ . By their nature, all derivative instruments involve elements of market and credit risk. The market risk associated with these instruments resulting from currency exchange movements is expected to offset the market risk of the underlying transactions, assets and liabilities being hedged. Credit risk is managed through the continuous monitoring of exposure to the counterparties associated with these instruments. Our primary objective in holding derivatives is to reduce the volatility of earnings with changes in foreign currency. Although we believe that our foreign exchange hedging policies are reasonable and prudent under the circumstances, our attempt to hedge against these risks may not be successful, which could cause an adverse impact on both our results of operations and cash flows. Business performance may not be sufficient to meet financial guidance or publicly disclosed long- term targets We provide public, full- year financial guidance based upon assumptions regarding our expected financial performance, including our ability to grow revenues and organic ASV plus professional services, to meet our planned expenses and maintain a certain tax rate, and our ability to achieve our profitability targets. We can provide no assurances that we will be able to maintain the levels of growth and profitability that we have experienced in the past, or that our growth strategies will be successful. If we are unable to successfully execute on our strategies to achieve our growth objectives and retain our existing clients, or if we experience higher than expected operating costs or taxes, we risk not meeting our full- year financial guidance or may find it necessary to revise such guidance during the year. Economic, political and market forces beyond our control could adversely affect our business. Our costs and the demand for our products may be impacted by domestic and international factors that are beyond our control. Negative conditions in the general economy in either the United States or abroad, including conditions resulting from financial and credit market fluctuations, changes in economic policy, inflation rate fluctuations and trade uncertainty, including changes in tariffs, sanctions, international treaties and other trade restrictions, **or other geopolitical events, such as the ongoing military conflicts between Russia and Ukraine and in the Middle East,** could result in an increase in our costs and / or a reduction in demand for our products, which could have an adverse effect on our results of operations and financial condition. Risks Relating to ~~the CGS Transaction We may fail to realize the anticipated benefits of the CGS Transaction The success of our acquisition of the CGS business (the" CGS Business") will depend on, among other things, our ability to incorporate the CGS Business into our business in a manner that enhances our value proposition to clients and facilitates other growth opportunities. We must successfully include the CGS Business within our business in a manner that permits these growth opportunities to be realized. In addition, we must achieve the growth opportunities without adversely affecting current revenues and investments in other future growth. If we are not able to successfully achieve these objectives, the anticipated benefits of the acquisition of CGS (the" CGS Transaction") may not be realized fully, if at all, or may take longer to realize than expected. Additionally, management may face challenges in incorporating certain elements and functions of the CGS Business with the FactSet business, and this process may result in additional and unforeseen expenses. The CGS Transaction may also disrupt the CGS Business' s and FactSet' s ongoing business or cause inconsistencies in standards, controls, procedures and policies that adversely affect our relationships with third- party partners, employees, suppliers, customers and others with whom the CGS Business and FactSet have business or other dealings or limit our ability to achieve the anticipated benefits of the CGS Transaction. It is possible that our experience in operating the CGS Business will require us to adjust our expectations regarding the impact of the CGS Transaction on our operating results. If we are not able to successfully add the CGS Business to the existing FactSet business in an efficient, effective and timely manner, anticipated benefits, including the opportunities for growth we expect from the CGS Transaction, may not be realized fully, if at all, or may take longer to realize than expected, and our cash flow and financial condition may be negatively affected. We have incurred and may incur additional significant transaction costs in connection with the CGS Transaction We have incurred a number of non- recurring costs associated with the CGS Transaction. These costs and expenses include financial advisory, legal, accounting, consulting and other advisory fees and expenses, filing fees and other related charges. There is also a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the CGS Transaction. While we have assumed that a certain level of expenses would be incurred in connection with the CGS Transaction and related transactions, there are many factors beyond our control that could affect the total amount or the timing of the integration and implementation expenses. There may also be additional unanticipated significant costs in connection with the CGS Transaction that we may not recoup. These costs and expenses could reduce the benefits and additional income we expect to achieve from the CGS Transaction. Although we expect that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all. Risks Relating to~~ Our Debt Our indebtedness may impair our financial condition and prevent us from fulfilling our obligations under the Senior Notes and our other debt instruments As of August 31, ~~2022~~ **2023** ~~giving effect to the issuance of the Senior Notes and the incurrence of borrowings under the 2022 Credit Facilities and the repayment of the 2019 Revolving Credit Facility~~ , our total outstanding principal amount of debt was $ ~~2~~ **1** . ~~0~~ **6** billion, none of which is secured **. This includes our obligations under the Senior Notes and the 2022 Credit Facilities** . Under the 2022 Revolving Facility, we have $ 250. 0 million of unused commitments and an option to increase the size of the facility by an additional $ 750. 0 million. Refer to Note 12, Debt **in the Notes to the Consolidated Financial Statements included in Part II, Item 8. of this Annual Report on Form 10- K** for definitions of these terms and more information on the Senior Notes, 2022 Credit Facilities and 2019 Revolving Credit Facility. Our indebtedness could have important consequences to investors, including: a. making it more difficult for us to satisfy our obligations; b. limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy and other purposes; c. requiring us to dedicate a substantial portion of our cash ~~flow~~ **flows** from operations to pay interest on our debt and scheduled amortization on the 2022 Term Facility, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our strategy and other general corporate purposes; d. making us more vulnerable to adverse changes in general economic, industry and government regulations and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions; e. placing us at a competitive disadvantage compared with those of our competitors that have less debt; and f. exposing us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in market interest rates. In addition, we may not be able to generate sufficient cash ~~flow~~ **flows** from our operations to repay our indebtedness when it becomes due and to meet our other cash needs. If we are not able to pay our debts as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. We may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our ability to generate revenues. Despite current indebtedness levels, we may still incur more debt. The incurrence of additional debt could further exacerbate the risks associated with our indebtedness Subject to certain limitations, the 2022 Credit Agreement and the indenture governing the Senior Notes permit us and our subsidiaries to incur additional debt. If new debt is added to our or any such subsidiary' s current debt levels, the risks described above in the previous risk factor could intensify. The restrictive covenants in our debt may affect our ability to operate our business successfully The 2022 Credit Agreement contains, and our future debt instruments may contain, various provisions that limit our ability to, among other things: incur liens; incur additional indebtedness, guarantees or other contingent obligations; enter into sale and leaseback transactions; engage in mergers and consolidations; make investments and acquisitions; change the nature of our business; and make sales, transfers and other dispositions of property and assets. The indenture governing the Senior Notes also contains various provisions that limit our ability to, among other things: incur liens; enter into sale and leaseback transactions; engage in mergers and consolidations; and make sales, transfers and other dispositions of property and assets. These covenants could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities. In addition, the 2022 Credit Agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests. Events beyond our control, including changes in general economic and business conditions, may affect our ability to meet those financial ratios and financial condition tests. ~~We cannot~~ **There can be no** ~~assure~~ **assurance** ~~you~~ that we will meet those tests or that the lenders will waive any failure to meet those tests. A breach of any of these covenants or any other restrictive covenants contained in the definitive documentation governing our indebtedness would result in a default or an event of default. If an event of default in respect of any of our indebtedness occurs, the holders of the affected indebtedness could declare all amounts outstanding, together with accrued interest, to be immediately due and payable, which, in turn, could cause the default and acceleration of the maturity of our other indebtedness. We expect we will be permitted to incur substantial amounts of secured debt under the covenants in the indenture governing the Senior Notes and the 2022 Credit Facilities. If, upon an acceleration, we were unable to pay amounts owed in respect of any such indebtedness secured by liens on our assets, then the lenders of such indebtedness could proceed against the collateral pledged to them. Certain of our borrowings and other obligations are based upon variable rates of interest, which could result in higher expense in the event of increases in interest rates The 2022 Credit Agreement provides that (i) loans denominated in U. S. dollars, at our option, will bear interest at either the one- month Term Secured Overnight Financing Rate (" SOFR") (with a 0. 1 % credit spread adjustment and subject to a" zero" floor), (ii) the Daily Simple SOFR (with a 0. 1 % credit spread adjustment and subject to a" zero" floor) or (iii) an alternate base rate. Under the 2022 Credit Agreement, loans denominated in Pounds Sterling will bear interest at the Daily Simple Sterling Overnight Index Average (" SONIA") (subject to a" zero" floor) and loans denominated in Euros will bear interest at the Euro Interbank Offered Rate (" EURIBOR") (subject to a" zero" floor), in each case, plus an applicable interest rate margin. The interest rate margin will fluctuate based upon our senior unsecured non- credit enhanced long- term debt rating and our total leverage ratio. An increase in the alternate base rate, Term SOFR, Daily Simple SOFR, SONIA or EURIBOR would increase our interest payment obligations under the 2022 Credit Facilities and could have a negative effect on our cash flow and financial condition. To mitigate this exposure, on March 1, 2022, we entered into an interest rate swap agreement to hedge the variable interest rate obligation on a portion of our outstanding balance under the 2022 Credit Facilities. However, as the interest rate swap agreement covers only a portion of our outstanding balance under the 2022 Credit Facilities, a substantial portion of our outstanding balance under the 2022 Credit Facilities continues to be exposed to interest rate volatility. An increase in the applicable rates would increase our interest payment obligations under the 2022 Credit Facilities and could have a negative effect on our cash flow and financial condition. **24**