

Global Real Estate Outperforms Other Asset Classes as Recovery Broadens

Stability sustained

New York – April 21, 2016 - MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indexes, portfolio risk and performance analytics and ESG research, has recorded an increase in global total returns to 10.7% in 2015 as indicated in **IPD Global Annual Property Index**.

Real estate assets outperformed equities and bonds, which achieved 2.6%, 1.6%, respectively.

The index also marked investors' gradual and continued structural shift in asset allocation to real estate. Accordingly, allocation to real estate across global markets in 2015 has risen to 24% from 5% 1995. The shift toward real estate assets has come at the expense of cash and bonds, the latter declined to 29% from 49% during the same period.

The total return of 10.7% in 2015 is an increase from the previous year's 9.9%; and slightly stronger to long-term averages of 10.2% for three-year, 10.3% for five-year, and 5.1% for 10-year average.

A noticeable trend is that capital growth continued to remain the larger component of total return as prices rose faster than income. This trend is similar to the period right before the global financial crisis. In 2000 and 2001, global property total return was mainly driven by income return. This helped to offset negative capital value growth. However, beginning in 2005, capital value growth became the major driver to total return; and this environment lasted until 2008.

Since 2010, when negative returns in real estate investment reversed to positive returns, the contribution of income return to total return has steadily declined; and robust capital growth has contributed to rising total return.

In terms of raw numbers, the hottest European markets in 2014, Ireland and the United Kingdom, cooled off even as Ireland remained the highest performing global market with a 25% total return in 2015, down from 40% in 2014. Ireland was followed by Spain as its total return rose to 15.3% from 9.4%.

The next eight top performing markets in 2015 were Sweden, Australia, South Africa, UK, Portugal, United States, New Zealand, and Norway.

The robust growth in total returns for Spain and neighboring Portugal, which rose to 12.1% from 7.2%, signalled that investors are growing in their enthusiasm for undervalued assets in these recovering markets.

In many markets around the world few cities substantially outperformed the national average. In the United States, San Francisco's total return stood at 18.4%, compared to 12.1% nationally; London registered 17.5% in total return, compared to 13.1% for the UK; as was the case with Munich in Germany; and Toronto and Vancouver in Canada. At the same time, New York, Philadelphia, Minneapolis, Washington and Houston underperformed compared to the national total return; and Calgary earned a significantly lower return than

Canada; which is a reflection of change in the market there as oil prices fell in 2015. Dublin was the leading global city for investment performance in 2015 with a return of 25.8%.

Currency fluctuations hit investors who held euro-denominated assets as both the pound Sterling and US Dollar gained strength in 2015; however the relative decline in the euro boosted European investors who held dollar or pound denominated assets.

Across the segments, industrial properties were the strongest with total return of 13.7%; followed by office, 10.5%; retail, 10.2%; and residential, 9.5%.

Colm Lauder, Vice President, MSCI, explained: “The moderating growth in Ireland and UK signal further stabilization in those markets and the same applied to cities like London and New York.

“At the same time, the strong growth achieved in the Iberian markets show that investors are becoming opportunistic as they look for undervalued assets and potential for growth and income return. Crucially, it suggests signs of a long-awaited pick-up in performance for southern Europe.”

Mr. Lauder continued: “The global total return of 10.7% is within close proximity of three-year average of 10.2%; and five-year average of 10.3%. Fundamentally, this reflects a period of stability since the recovery began in 2009 and shows the strength of real estate as it outperformed bonds and equities.”

IPD Global Annual Property Index measures the combined performance of real estate markets in 25 countries in Africa, Asia Pacific, Europe, and North America.

-Ends-

About MSCI

For more than 40 years, MSCI’s research-based indexes and analytics have helped the world’s leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 97 of the top 100 largest asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

For more information, visit us at www.msci.com.

Media Inquiries

London

Karen Mulligan, MSCI

+ 44 20 7336 9243 / karen.mulligan@msci.com

New York

Michael Jalili

+ 1 212 9811094 / Michael.Jalili@msci.com

MSCI Global Client Service

EMEA Client Service

+ 44 20 7618.2222

Americas Client Service

1 888 588 4567 (toll free)

Asia Pacific Client Service

+ 852 2844 9333

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the “Information”) is the property of MSCI Inc. or its subsidiaries (collectively, “MSCI”), or MSCI’s licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the “Information Providers”) and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, “Index Linked Investments”). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research Inc. and Barra LLC, may be used in calculating certain MSCI equity indexes. More information can be found in the relevant standard equity index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.’s revenue includes fees based on assets in investment products linked to MSCI equity indexes. Information can be found in MSCI’s company filings on the Investor Relations section of www.msci.com

MSCI ESG Research Inc. is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and neither MSCI nor any of its products or services is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD, FEA, InvestorForce, and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor’s. “Global Industry Classification Standard (GICS)” is a service mark of MSCI and Standard & Poor’s.

