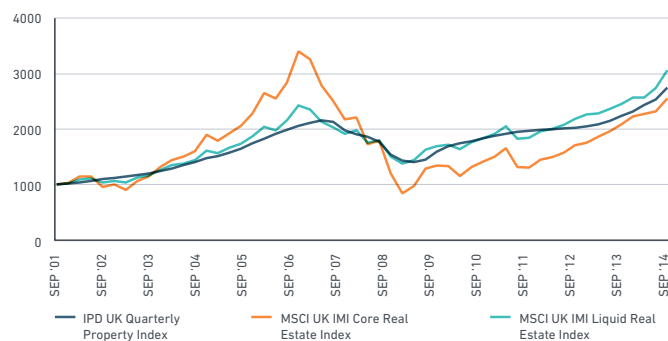


# MSCI UK IMI LIQUID REAL ESTATE INDEX

THE MSCI LIQUID REAL ESTATE INDEXES ARE MULTI ASSET CLASS INDEXES THAT AIM TO ACHIEVE A RISK/RETURN PROFILE SIMILAR TO DIRECT REAL ESTATE INDEXES USING LIQUID INSTRUMENTS.

The *IPD UK Quarterly Property Index* measures ungeared total returns to directly held standing property investments from one open market valuation to the next. The index tracks performance of 9,747 property investments, with a total capital value of £140 billion as at December 2014.

## MSCI UK IMI LIQUID REAL ESTATE INDEX CUMULATIVE PERFORMANCE (SEPT 2001 – DEC 2014, USD (GROSS))



## KEY METRICS – USD (GROSS)

|                      | IPD UK Quarterly Property Index | MSCI UK IMI Core Real Estate Index | MSCI UK IMI Liquid Real Estate Index |
|----------------------|---------------------------------|------------------------------------|--------------------------------------|
| Total Return (%)     | 8.9                             | 7.8                                | 9.3                                  |
| Total Risk (%)       | 13.9                            | 29.9                               | 18.2                                 |
| Tracking Error (%)   | 0                               | 22.0                               | 10.7                                 |
| Maximum Drawdown (%) | 52.8                            | 82.1                               | 58.6                                 |
| Yield* (%)           | 6.8                             | 3.2                                | 3.5                                  |
| Turnover** (%)       | NaN                             | 4.2                                | 3.2                                  |
| Beta to MSCI UK      | 0.47                            | 1.18                               | 0.69                                 |
| Beta to IPD          | 1                               | 1.55                               | 1.06                                 |

Annualized from quarterly data. Period: 09/28/2001 - 12/31/2014

\* Average of year-end values

\*\* Annualized from semi-annual index review data

## METHODOLOGY

| STEP | DESCRIPTION  | RATIONALE   |
|------|--|---|
| 1    | Start with the MSCI Core Real Estate Index   | Capture listed companies directly exposed to core properties, (e.g., real estate brokers and mortgage REITs are excluded) |
| 2    | Reweight applying the Volatility Tilt methodology  | Reduce index volatility and equity beta   |
| 3    | Combine the equity index with a Markit iBoxx index of short-term inflation protected bonds in proportions implied by the debt-to-price ratio | Remove leverage to achieve a risk/return profile closer to direct real estate and add inflation protection                |

The MSCI UK IMI Liquid Real Estate Index was launched on October 27, 2014. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have been performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance – whether actual or back-tested – is no indication or guarantee of future performance.

## ABOUT MSCI

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