

UK Commercial Property Fund Returns Consolidate in Q3

London – October 24, 2017 –MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the latest results of the **AREF/IPD UK Quarterly Property Fund Index**.

According to the index, unlisted real estate funds returned 2.2% in the 3 months to September 2017, the same performance as in June 2017.

In comparison, returns for bonds and equities for the 3-month period were -0.4% and 1.8%, respectively (JP Morgan 7-10 year/MSCI), while returns for direct commercial property, as measured by the IPD UK Monthly Property Index, stood at 2.7%.

Funds in the **AREF/IPD UK Quarterly Property Fund Index** returned 8.6% year-on-year to September 2017, a significant acceleration from 5.4% recorded in June 2017 and the low of 2.3% in December 2016.

Ken O'Brien, Executive Director, MSCI, commented, "The fund index quarterly returns have steadily accelerated over the first 3 quarters of 2017, from the low of -0.8% recorded in September 2016, which reflected the impact of the Brexit referendum. Although recent quarterly returns have been slightly below those recorded pre-Brexit referendum, the slowdown that immediately followed seems to be fading away.

"Looking at specific fund types, Balanced funds are the best performers both over 3 months (2.4%) and 12 months (9.3%). Long Income funds follow with 2.2% quarter-on-quarter and 8.8% year-on year. Specialist funds remain the laggards on average, with 3-month returns of 1.8%, but this hides different realities for individual funds. Alternative specialists all show quarterly returns of over 3%, while Shopping Centre, and to lesser extent Retail Warehouse specialists, tend to under-perform the All Funds average."

John Cartwright, Chief Executive, AREF, added, "The ongoing sponsorship of this index by the Association of Real Estate Funds (AREF) exemplifies AREF's commitment to promoting the highest standards of governance and transparency. This should assure investors of best practice among members in the property funds industry and enable them to make well-informed investment decisions."

-Ends-

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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 money managers, according to the most recent P&I ranking.

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