

European Mandates Are Back, But Portfolio Build Up Is Slow

MSCI German SFIX index shows recovery of European fund returns with highest quarterly return since 2011

Frankfurt – 19 August, 2015 – MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the latest results of the **IPD/BVI German Quarterly Spezialfonds Index (SFIX)**.

According to the index, unlisted real estate funds returned 0.7% in the three months to June 2015, compared with the 0.9% registered in Q1 2015.

Performance of the sub-indexes SFIX Germany and SFIX Europe continued to diverge during the second quarter of 2015. SFIX Germany returned 4.1% over the last 12 months, which is in line with an annualised 3.9% over three years and 3.9% over ten years. SFIX Europe however is at -0.1% over the last 12 months, but the current quarter's result of 0.4% marks the highest quarterly return since Q4 2011.

Justus Vollrath, Executive Director, MSCI commented, "In recent years, SFIX composition has changed towards domestic mandates from more European-focused ones. Between Q2 2012 and Q2 2015 the number of funds in the SFIX Europe increased from 66 to 70, worth EUR 19.0bn and EUR 20.3bn NAV. The number of SFIX Germany funds increased from 56 to 85, with more than 60% NAV increase from EUR 10.1bn to EUR 16.7bn as of today.

"However, our recent data indicates a change in this trend. In the period from Q2 2013 to Q2 2014, there were 16 new funds entering SFIX Germany, and not a single fund entering SFIX Europe. In the most recent period from Q2 2014 to Q2 2015, only five German mandates have entered the Index, while four European mandates joined in.

"The pace of portfolio build up also seems to differ. While five SFIX Germany new entering funds comprise EUR 480m NAV by June 2015, the five SFIX Europe mandates combine only EUR 130m NAV as of June 2015."

The new quarterly release of the IPD / BVI German Quarterly Spezialfonds Index (SFIX) includes property Spezialfonds regulated by the German Investment Law, together with public real estate funds for institutional investors. The index is based on a sample of 174 funds with a total net asset value of EUR 41.4bn as at June 2015.

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