

Pan-Europe Property Funds Demonstrate Real Estate Strength

London – June 2, 2016 - MSCI Inc. (NYSE: MSCI) recorded that Pan-Europe property funds delivered a net fund return of 0.4% in the first quarter 2016, as indicated in the [IPD Pan-Europe Quarterly Property Fund Index](#).

This is a decline from a total return of 2.8% recorded in the previous quarter and 3.3% recorded in the first quarter of 2015. The property market, in line with other assets, was affected by the volatility and uncertainties that marked the year's beginning; and it signalled a moderation in the Index after several quarters of robust returns. Nevertheless, the [IPD Pan-Europe Property Fund Index](#) outperformed equities and property equities (Equities, -4.8%; property equities, 0%); establishing the strength of real estate asset class in times of uncertainty.

Underlying assets held in these funds recorded a similar slowdown. Direct asset-level return moderated to 0.5% in the quarter to March 2016, down from 2.9% in December 2015 and 3.9% in March 2015. Capital value growth turned negative for the first time in two years, registering -0.8% in the first quarter 2016; although the balanced funds sub-sample fared better as capital value held its position.

Over the 12-month period ending in March 2016, the [IPD Pan-Europe Quarterly Property Fund Index](#) recorded a total return of 10.4%. This is a marked slowdown from 13.5% recorded for the same period ending in December 2015 and was the lowest since June 2014.

Bert Teuben, Vice President, MSCI, commented: "2016 began with much volatility in the markets. As a result, many asset classes experienced a slowdown in the first quarter. And to a large degree, the Index basically moderated after several quarters of very robust returns.

Teuben continued: "The slowdown in commercial real estate in the first quarter was recorded across all European regions. Still, real estate outperformed equities in Europe in the first quarter. On a 12-month basis fund level performance outperformed both equities and bonds."

The [IPD Pan-Europe Property Funds Index](#) tracks the performance of 14 funds, with a total value of approximately 16.8 billion euros and NAV of about 12.3 billion euros.

-Ends-

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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.

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