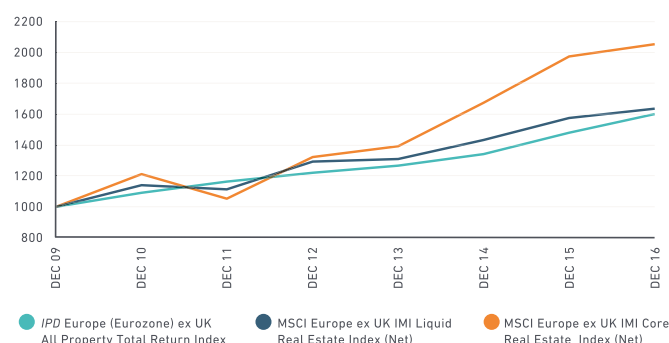


# MSCI EUROPE EX UK IMI LIQUID REAL ESTATE INDEX (EUR)

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* Pan-Europe ex UK Annual Property Index reports the market rebalanced ungeared total returns to directly held standing property investments from one open market valuation to the next. The index tracks performance of 48,918 property investments, with a total capital value of over EUR 733.6 billion as at December 2016.

## CUMULATIVE PERFORMANCE—NET RETURNS (DEC 2009 – DEC 2016)



## KEY METRICS – EUR (NET)

	IPD Europe (Eurozone) ex UK All Property Total Return Index	MSCI Europe ex UK IMI Core Real Estate Index (Net)	MSCI Europe ex UK IMI Liquid Real Estate Index (Net)
Total Return (%)	6.1	10.9	7.5
Total Risk (%)**	3.9	15.5	8.1
Tracking Error (%)	0.0	31.7	15.3
Maximum Drawdown (%)***	0.0	20.1	10.6
Yield* (%)	NaN	4.2	2.1
Turnover** (%)	NaN	0.1	0.1
Beta to MSCI Europe ex UK IMI ***	-0.06	0.85	0.37
Beta to IPD	1.00	0.81	1.19

Annualized from yearly data. Period: 12/31/2009 - 12/31/2016

\* Average of year-end values, Yield is not published for *IPD* Index

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

\*\*\* For *IPD* index - calculated from year end levels. For MSCI Indexes - calculated from month end levels

## 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 Europe ex UK IMI Liquid Real Estate Index was launched on August 21, 2015. 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.

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