

# Global Property Fund Returns Hit Four-Year High

## US market particularly resilient, leveraging picking up

**New York – March 31, 2016** - MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indexes, portfolio risk and performance analytics and ESG research, reported that the total return in global property funds reached 13.5% in 2015, marking the highest return in four years, as indicated in the [IPD Global Quarterly Property Fund Index](#).

The 12-month total return at net asset value (NAV) of 13.5% at the end of 2015 was an increase from 12.0% in 2014. Data also showed that the IPD Global Property Fund Index significantly outperformed other asset classes; namely, bonds, which achieved a total return at NAV of 1.6%; equities at NAV of 2.6%; and properties equities, which returned 3.7%.

North America was a particularly resilient market, delivering 14.0% return. This was largely a result of capital value growth in the U.S. market. The strong capital value growth in the U.S., and wider North America, contributed to a strong capital value growth in the IPD Global Property Fund Index.

**Ken Greguski, Executive Director, MSCI, said:** “In addition to offering the highest return in four years, Global Property Fund outperformed other asset classes for the first time since 2011. This is a result of uncertainty with economic conditions in many parts of the world, which impacted the equities markets; and monetary policies that have reduced returns in monetary instruments.”

Explaining gross asset value growth, **Greguski said:** “In North America, we saw the post financial crisis factors playing out as good performance in the properties market and strong capital inflows fueled a surge in capital value growth in North America.”

Analyzing leveraging trend, **Greguski said:** “The leverage level has declined from the 2009 levels, and in some markets, namely the UK, there is virtually no leverage. Fundamentally, however, low interest rates and solid asset performance have generated meaningful positive leverage impact that amplifies overall fund performance.

“This trend is largely a result of investors’ appetite to snap the right properties and they showed the willingness to increasingly rely on leverage to get what they believed would benefit the portfolio.”

The IPD Global Quarterly Property Fund Index is based on a sample of 93 funds sharing similar features in Asia Pacific, Continental Europe, North America, and the United Kingdom regions with a total net asset value of USD269 billion and a total capital value of over USD326 billion as at December 2015.

-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 asset managers, based upon P&I data as of December 2014 and MSCI client data as of June 2015.

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