

MSCI Launches First Ever Global Private Real Estate Risk Model

New Barra Model Incorporates IPD Global Data Set

London – December 12, 2013 – [MSCI](#) Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, today announced the launch of the new [Barra Private Real Estate Model \(PRE2\)](#), the industry's first global private real estate multi-factor risk model.

"Until now it has not been possible to measure and compare the risks of global real estate with other asset classes," said Roveen Bhansali, Managing Director and Head of Risk Management Analytics for MSCI. "This new private real estate model represents a major step forward by expanding coverage to 31 countries and putting it in a global, multi-asset class context."

The Barra PRE2 model incorporates global private real estate data from [IPD](#), a leading provider of real estate performance and risk analysis, acquired by MSCI just over a year ago. PRE2 provides clients with the most extensive coverage of private real estate risk available in the market to date. It also provides a consistent methodology for modeling global private real estate and seamless integration with MSCI's premier multi-asset class fundamental factor model, the [Barra Integrated Model \(BIM\)](#), which includes both public and private real estate.

The IPD dataset also allows managers to overcome the challenge of using public equity to represent private real estate. It shows that public equity markets and private real estate are not always correlated. For example, the relationships between New York real estate and financial stocks, Houston real estate and energy stocks or San Francisco real estate and technology stocks all have very low statistical significance.

Peter Hobbs, Managing Director of Research for IPD, added, "This development provides fund managers unprecedented insight into global real estate risks. The new Barra PRE2 model reflects the changes in private real estate risk forecasts in a more timely fashion than traditional methods."

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About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indices with approximately USD 7.5 trillion estimated to be benchmarked to them on a worldwide basis¹; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indices and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS corporate governance research, data and outsourced proxy voting and reporting services; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

¹As of March 31, 2013, as reported on July 31, 2013 by eVestment, Lipper and Bloomberg

For further information on MSCI, please visit our web site at www.msci.com

Media Enquiries:

Kristin Meza, MSCI, New York	+ 1.212.804.5330
Jo Morgan, MSCI, London	+ 44.20.7618.2224
Nick Denton Christian Pickel, MHP Communications, London	+ 44.20.3128.8515

MSCI Global Client Service:

EMEA Client Service	+ 44.20.7618.2222
Americas Client Service	1.888.588.4567 (toll free)/+ 1.212.804.3901
Asia Pacific Client Service	+ 852.2844.9333

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