

MSCI Consultation Proposal - Inclusion of Luxembourg in MSCI Global and Europe Annual Property Indexes

INDEX METHODOLOGY AND SIMULATED RESULTS

2 March 2022

This consultation may or may not lead to the implementation of any or all of the proposals mentioned. Consultation feedback will remain confidential. MSCI may publicly disclose the feedback of a participant if so requested by any participant. In that case, the relevant feedback would be published at the same time as the final results of the consultation.

Executive Summary

MSCI has launched a [consultation](#) on proposed new market inclusion to MSCI Global and Europe Annual Property Indexes

- Proposal:
 - Include Luxembourg as a country segment in the MSCI Global Annual Property Index (Unfrozen; Weighting: Market Size)
 - Include Luxembourg as a country segment in the MSCI Europe Annual Property Index (Unfrozen; Weighting: Market Size)
- Consultation Timelines:
 - Consultation Launch: 2nd March 2022
 - Consultation Completion: 1st April 2022
 - MSCI Decision Communication: 8th April 2022
- MSCI welcomes feedback from the real estate investment community by 1st April 2022
- MSCI will launch the MSCI Luxembourg Annual Property Index (Unfrozen) on 8th April 2022

Methodology Specifications

	Specification
Index Name	MSCI Luxembourg Annual Property Index (Unfrozen)
Index Methodology	MSCI Property Indexes Methodology
Index Frequency	Annual
Index History	Unfrozen
Index Composition (as at Dec 2020)	Capital Value – EUR 1.7 B Portfolios – 17 Properties – 33
Publication Currency	EUR
Index Start Date (base date)	Dec 2016
Release Date	8 th April 2022 (based on results for Annual 2021)

Why include Luxembourg in MSCI Global and Europe Annual Property Indexes?

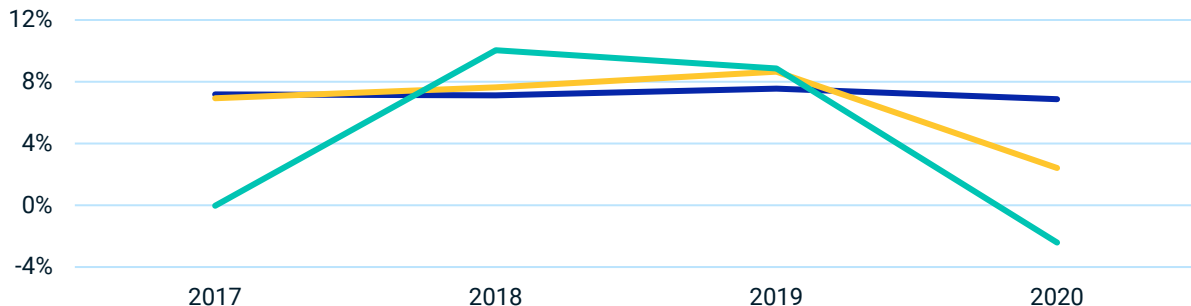
- To enhance transparency standards to the Global real estate market
- To enable consistent performance measurement of real estate to help investors make well informed investment decisions
- To expand performance analytics footprint in Europe real estate market
- To cater to the increased interest from multinational investor community in Luxembourg real estate market during recent years

Simulated Results of MSCI Luxembourg Annual Property Index (Unfrozen)

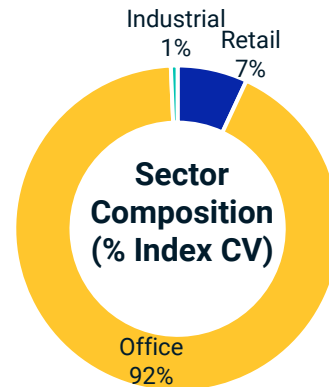
Market Size Estimate (2020)	Index Coverage (2020)	Index Capital Value (2020)	Fund Count (2020)	Property Count (2020)	Index Start Date (base date)
EUR 7.3 B	24.0%	EUR 1.7 B	17	33	Dec 2016

Based on simulated results as of December 2020, the Capital Value weight of Luxembourg in the MSCI Global Annual Property Index (Unfrozen; Weighting: Market Size) and MSCI Europe Annual Property Index (Unfrozen; Weighting: Market Size) is 0.1% and 0.2%, respectively

The maximum impact on simulated 12 m total return due to inclusion of Luxembourg in the Global and Europe Annual Property Indexes is estimated to be less than 1 basis point



— Luxembourg Total Return — Europe Annual Total Return — Global Annual Total Return



Total Return (EUR variable) is at All Property level; Global and Europe Annual Total Return are market size reweighted
All simulated results are based on EUR variable currency as per MSCI Property Indexes Methodology

Information Classification: GENERAL

Discussion Points

- Do you agree with the MSCI proposal to include Luxembourg in the MSCI Global Annual Property Index (Unfrozen; Weighting: Market Size) and MSCI Europe Annual Property Index (Unfrozen; Weighting: Market Size)?
- As per [MSCI Property Indexes methodology](#) (Section: 4.9 page 44), Multinational composite property indexes are constructed by aggregating the underlying unfrozen country indexes. Do you have any feedback on MSCI's proposal to include Luxembourg in the unfrozen history of MSCI Global and Europe Annual Property Indexes, starting December 2016?

About MSCI

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