

MSCI

REAL ESTATE INDEX MODULE

The MSCI Real Estate Index Module is a broad suite of real estate indexes, which are designed to represent the performance of global real estate investment opportunities — from publicly listed real estate to direct property, from real estate operating companies and developers to REITs. This view of real estate market performance supports all aspects of the investment process, including real estate asset allocation, portfolio construction and investment strategy. Our indexes can also be used for real estate benchmarking and as the basis for innovative passive investment products.



88 CORE

MSCI Core Real Estate Indexes

25 CORE FACTOR

MSCI Core Real Estate Factor Indexes

Equal Weighted
Minimum Volatility
High Dividend Yield

9 DIRECT PROPERTY

MSCI IPD Direct Property Indexes

49 SECTOR

MSCI Sector Real Estate Indexes

9 US REIT

MSCI US REIT Indexes

All publicly listed indexes in the module have 20 years of history (live and back-tested data). All indexes are constructed using MSCI's consistent methodology and internationally recognized standards for country and sector classifications to provide transparency and replicability.

MSCI REAL ESTATE INDEX MODULE

WHAT'S INCLUDED

Our module reaches beyond traditional sector and REIT indexes to measure real estate market performance more comprehensively, by focusing predominantly on core real estate companies, those involved directly in real estate activities.

We applied MSCI's expertise in factor indexing to our core real estate indexes, creating innovative new indexes that aim to represent the return of factors that have historically outperformed the market.

To provide a view across private real estate, we included "direct property" indexes, which measure the performance of the biggest geographic real estate markets globally.

The module also includes indexes designed to represent the sector performance of REITs and real estate management and development companies. We completed the module with our flagship US equity REIT indexes.

CORE

MSCI CORE REAL ESTATE INDEXES

The MSCI Core Real Estate Indexes measure real estate market performance by targeting "pure" real estate exposure. They focus on core real estate companies, those directly involved in the ownership, development and management of real estate. This set of "pure" real estate indexes are a subset of our global equity benchmark,

the MSCI ACWI Investable Market Index (IMI). The indexes include both REITs and real estate management and development companies. 75% of relevant revenues are required for index eligibility. They exclude companies that are only remotely connected to real estate or are engaged in very specialized sectors.

REAL ESTATE FACTOR

MSCI CORE REAL ESTATE FACTOR INDEXES

A result of client consultations, these new indexes apply MSCI's factor analysis expertise to our core real estate indexes. These innovative indexes target pure real estate companies and aim to represent the return of factors which have earned a persistent premium over long periods of time - such as Value, Low Size, Low Volatility, High Yield,

Quality and Momentum. Currently we focus on the three factors that consultation revealed were most effective for real estate: Low Size, Low Volatility and High Dividend Yield. These indexes can be used to help tilt a portfolio towards these factors and reflect the performance of a factor strategy.

THE SIX KEY FACTORS

Low Size	High Dividend Yield	Low Volatility
Quality	Value	Momentum

MSCI IPD® DIRECT PROPERTY INDEXES

The MSCI IPD Direct Property Indexes measure the investment returns of the most mature and transparent private property markets around the world. The module includes annual and quarterly direct property indexes for the world's biggest regional and national property markets. Calculated at the property level, they are appraisal based and include stabilized assets. They exclude the impact of debt, fund management fees, taxation and cash on property portfolios.

The MSCI IPD Global Property Index, our flagship direct property index, measures the combined performance of the 25 most mature national real estate markets. The index provides transparency of investment returns to property markets globally and enables market level analysis on national markets with regional and sector level segments, as well as city level analysis.

THE MSCI IPD GLOBAL ANNUAL PROPERTY INDEX REPRESENTS THE AGGREGATION OF 25 HIGHLY GRANULAR AND ROBUST COUNTRY SPECIFIC INDEXES.

MSCI SECTOR REAL ESTATE INDEXES

The MSCI Sector Real Estate Indexes are free float adjusted market capitalization indexes, constructed using the Global Industry Classification Standard (GICS®). They are comprised of REITs and real estate management

and development companies. The index family is comprised of global, regional, country and industry indexes based on the MSCI Global Investable Market Indexes (IMI).

GICS® REITS INDUSTRY STRUCTURE

Diversified	Hotel & Resort	Residential
Industrial	Office	Retail
Mortgage	Health Care	Specialized

MSCI US REIT INDEXES

The MSCI US REIT indexes are based on the MSCI USA Investable Market Index (IMI) which captures 99% of large-, mid- and small-cap securities in the United States. The indexes represent the US REIT universe and securities are classified in the REIT sector according to GICS. They exclude Mortgage REITs and selected Specialized REITs.

The world's largest real estate ETF, the Vanguard REIT ETF, has been tracking the MSCI US REIT Index for over 10 years. The ETF had total net assets of over \$55 billion, as of March 31, 2015.

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ABOUT MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the

drivers of performance and risk in their portfolios, broad asset class coverage and innovative research. Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG

research. MSCI serves 98 of the top 100 largest money managers, according to the most recent P&L ranking. For more information, visit us at www.msci.com.

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