

IPD INDEX ANNOUNCEMENT

March 2017

IPD KOREA ANNUAL PROPERTY INDEX

CLARIFICATION OF CHANGE IN INDEX METHODOLOGY

Seoul, March 2017: MSCI wishes to clarify a change to its index methodology pertaining to the return calculation of the IPD Korea Annual Property Index, which now complies with the Global Methodology Standards published in July 2016.

The change is to discontinue the practice of considering Chonseil (a refundable tenant deposit specific to Korea) in the calculation of performance measures at the asset level in IPD Korea Annual Property Index. The original practice was to deduct Chonseil from the denominator of the total return, income return and capital growth.

This change improves the global comparability of MSCI's real estate indexes. The proposal to change the index methodology was consulted on with local clients in 2015 and provisional results have been available via MSCI's Global Intel product in the Real Estate Analytics Portal since April 2016.

The change to the treatment of Chonseil is implemented in the December 2016 results of the IPD Korea Annual Property Index and is applied in MSCI's market information products, retrospectively. The treatment of Chonseil in MSCI's private real estate portfolio analytics products will remain unchanged until further notice.

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