

# AREF/IPD UK Quarterly Property Fund Index

November 2018

## MINOR RESTATEMENT OF INDEX RESULTS AND CHANGE TO PERCENTILE METHODOLOGY

**London, November 27, 2018:** MSCI announces a minor restatement of the AREF/IPD UK Quarterly Property Fund Index (UK PFI) as well as a change to percentile results methodology, to be implemented for December 2018 results.

Previously stated historical index returns for the AREF/IPD UK Quarterly Property Fund Index and its published sub-indexes are being amended as a result of minor corrections, including certain inputs to cross holdings, and as a result of back-calculating indexes on a new technology platform to meet requirements of the EU Benchmark Regulation. The only index to show a difference above one basis point over the entire history, on a rolling annual basis, is the Specialist Fund index, which shows a difference of three basis point in 2015.

### Summary impact on index results (September 2018 results)

Net Total Return (%)	3-month			12-month			3-year		
	Former	Restated	Diff	Former	Restated	Diff	Former	Restated	Diff
UK PFI	1.4008	1.4008	0.0000	7.8155	7.8156	-0.0001	6.5545	6.5546	0.0000
All Balanced	1.5673	1.5673	0.0000	8.8062	8.8061	0.0001	7.1042	7.1042	0.0000
Long Lease Funds	1.7399	1.7399	0.0000	8.0974	8.0975	-0.0001	7.3611	7.3611	0.0000
Low Geared	1.5673	1.5673	0.0000	8.8062	8.8061	0.0001	7.1168	7.1167	0.0000
Managed	1.2294	1.2294	0.0000	7.1292	7.1291	0.0000	5.7993	5.7992	0.0000
Other Balanced	1.6928	1.6928	0.0000	9.4666	9.4665	0.0001	7.7209	7.7208	0.0000
Specialist Funds	0.6275	0.6274	0.0000	4.7950	4.7945	0.0005	4.5941	4.5939	0.0002

A full comparison of the former and restated index and sub-index results is available to clients on the [MSCI client support site](#) or by request. The results will be officially restated with the Q4 2018 release in January 2019.

## PERCENTILE PERFORMANCE METHODOLOGY

A change to the methodology used to calculate the percentile results for the AREF/IPD UK Quarterly Property Fund Index and all sub-indexes is also being made, going forward, with effect from the Q4 2018 release in January 2019.

The former methodology used data from all funds in the then current composition of the index at each update. This methodology took into consideration resubmissions and any new funds included with history for calculating multiperiod percentile results.

The new methodology uses the same funds and data that are used in the headline UK PFI index results (weighted average performance, frozen history), eliminating an inconsistency between the weighted average frozen index results and the percentile performance results.

Retrospectively, the methodology change would have had a minor impact on the three-month results but the impact is larger on annualized results.

### Simulation of percentile methodology change on results for select indexes (September 2018 results)

Net Total Return (%)		3-month			12-month			3-year		
		Former	New	Diff	Former	New	Diff	Former	New	Diff
UK PFI	75 <sup>th</sup> %	1.8457	1.8457	0.0000	10.1034	10.1050	0.0016	8.4146	8.4145	0.0000
	Median	1.5386	1.5386	0.0000	8.7664	8.7892	0.0228	7.2338	7.1799	-0.0539
	25 <sup>th</sup> %	0.9501	0.9501	0.0000	6.1732	6.1732	0.0000	5.5504	5.5504	0.0000
Low Geared	75 <sup>th</sup> %	1.7891	1.7886	-0.0006	10.4667	10.5803	0.1136	8.4561	8.4919	0.0359
	Median	1.6414	1.6407	-0.0007	9.6429	9.6429	0.0000	7.3695	7.4072	0.0377
	25 <sup>th</sup> %	1.4157	1.4157	0.0000	8.3405	8.3405	0.0000	6.9773	6.9527	-0.0246
All Balanced	75 <sup>th</sup> %	1.7891	1.7886	-0.0006	10.4667	10.5803	0.1136	8.4561	8.4560	0.0000
	Median	1.6414	1.6407	-0.0007	9.6429	9.6429	0.0000	7.3695	7.3695	0.0000
	25 <sup>th</sup> %	1.4157	1.4157	0.0000	8.3405	8.3405	0.0000	6.9773	6.8974	-0.0799
Other Balanced	75 <sup>th</sup> %	1.8496	1.8503	0.0006	10.6140	10.6218	0.0078	8.8339	8.9691	0.1351
	Median	1.7278	1.7278	0.0000	9.9004	9.9001	-0.0003	7.6798	7.8522	0.1724
	25 <sup>th</sup> %	1.5386	1.5386	0.0000	9.0125	9.0136	0.0011	7.1329	7.0850	-0.0479

A file showing additional existing percentile results compared to simulated results using the new methodology for index and sub-index results is available to clients for information on the [MSCI client support site](#) or by request.

The new percentile methodology will be applied in the Q4 2018 release in January 2019. Historical results in Global Intel products will reflect the new methodology and the official history using the former methodology will be separately available.

If you have further questions please contact [realestate@msci.com](mailto:realestate@msci.com).



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