

Real estate index announcement

May 2020

Methodology Change to MSCI France Green Annual Property Index

May 2020: MSCI announced today that it has implemented changes and improvements to the MSCI France Green Annual Property Index to align to the Global Methodology Standards (GMS) for Real Estate Investments as well as a further enhancement to the legacy methodology.

The key changes to the MSCI France Green Annual Property Index methodology to align to the GMS¹ are:

- Discontinuation of discretionary flagging
- Introduction of a new global interpolation method

The MSCI France Green Annual Property Index is a subset of the MSCI France Annual Property Index. As per the current methodology, the frozen history² of the MSCI France Green Annual Property Index is aligned with the MSCI France Annual Property Index.

In addition to the methodology changes, the historical index composition is also impacted due to the exclusion of certain properties that did not meet the data quality requirements as per the MSCI Property Index Methodology. Retrospectively, the above changes have impacted the historical Index results since 2010 and corresponding market information products. Please see below the revised results and summary of impact analysis for 3-year history.

SUMMARY OF IMPACT ON INDEX RESULTS

Green Offices Annual Returns (%)	Dec-2018			Dec-2017			Dec-2016		
	Former	Restated	Diff	Former	Restated	Diff	Former	Restated	Diff
Total Return	6.13	6.16	0.03	7.72	7.77	0.05	7.20	7.35	0.16
Capital Growth	2.23	2.28	0.05	3.64	3.72	0.08	2.65	2.82	0.17
Income Return	3.82	3.80	-0.02	3.94	3.91	-0.03	4.44	4.42	-0.02

¹ Several changes were applied to MSCI's Property Indexes and market information products from July 12, 2016 onwards, but weren't reflected in the MSCI France Green Annual Property Index so far. Details on the all the changes can be found [here](#).

² A one-off restatement to the MSCI France Annual Property Index was made on 24 October 2016 ahead of the alignment of the index methodology to GMS.

Contact us

realestate@msci.com

+ 44 20 7336 4783

AMERICAS

Canada + 1 416 687 6284

US + 1 212 804 3900

EUROPE, MIDDLE EAST & AFRICA

UK + 44 20 7336 9200

France + 44 20 7336 4783

Germany + 49 691 3385 900

Italy + 44 20 7336 9684

Netherlands + 44 20 7618 2222

Spain + 34 93 467 7403

South Africa + 27 11 656 2115

Sweden + 46 8 400 252 30

ASIA PACIFIC

Australia + 61 2 9033 9300

Hong Kong + 852 2844 9333

Singapore + 65 6826 9339

Japan + 81 3 5211 1455

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.

Notice and disclaimer

©MSCI. All rights reserved. The information contained herein may not be reproduced or redistributed without MSCI's prior approval. Unless expressly licensed by MSCI in writing, it may not be used as a benchmark for portfolio or manager performance, as a basis for financial products, or in connection with investment vehicles, or to create any derivative works. None of the information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The information is provided "as is". TO THE MAXIMUM EXTENT PERMITTED BY LAW, MSCI Inc. and its subsidiaries make no express or implied warranties or representations and shall have no liability whatsoever with respect to the Information. NO REGULATED USE OF ANY MSCI PRIVATE REAL ASSETS INDEXES IN ANY JURISDICTION IS PERMITTED WITHOUT MSCI'S EXPRESS WRITTEN AUTHORIZATION. THE PROCESS FOR APPLYING FOR MSCI'S EXPRESS WRITTEN AUTHORIZATION CAN BE FOUND ON THE INDEX REGULATION PAGE OF MSCI'S WEBSITE AT: <https://www.msci.com/index-regulation>.