

Real estate index announcement

August 2021

Conclusion of consultation on changes to the inclusion criteria of MSCI Pan-European Quarterly Property Fund Index (Unfrozen)

London, August 27, 2021: MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the conclusions from its recent consultation with the real estate investment community on changes to the inclusion criteria of MSCI Pan-European Quarterly Property Fund Index (Unfrozen), also known as PEPFI. Following the positive feedback received from market participants on most of the proposed methodology enhancements, MSCI will implement the following enhancements on a moving forward basis starting Q1 2022 results reporting.

1. Index Calculation and Data Provision Requirement for PEPFI

Based on feedback from the consultation, most market participants were supportive of the proposal to use INREV NAV as a standard for index calculation and a data provision requirement of fund reconciliation and tenancy data for index inclusion. MSCI will, as proposed, amend the data provision requirements for index inclusion.

2. Changes to the Index and Sub-Index inclusion rules

Based on feedback from the consultation, market participants were supportive of the proposed changes to inclusion rules for MSCI Pan-European Quarterly Property Fund Index (Unfrozen) and MSCI Pan-European Balanced Quarterly Property Fund Index (Unfrozen). MSCI will, as proposed, implement the changes the inclusion criteria.

3. Introduce quarterly review and observation period to assess eligibility of index constituents

Based on the positive feedback received from the consultation from most of the market participants, MSCI will, as proposed, a) introduce a quarterly review of eligibility of index and sub-index constituents based on certain rules, and b) introduce an observation period to monitor temporary non-adherence of constituent funds to certain rules except for treatment of funds under suspension.

During the consultation, market participants were supportive of the proposal to introduce an observation period to monitor funds under temporary suspension. However, considering the impending outcome of consultation on 'Liquidity mismatch in authorized open-ended property funds' by the Financial Conduct Authority (FCA), MSCI will defer implementation of the proposal until further notice. MSCI will announce its decision once it has reviewed the outcome from the FCA consultation.



An updated MSCI Pan-European Quarterly Property Fund Index (Unfrozen) methodology document will be published on [MSCI's Website](#) on or before 4 March 2022 in advance of the Q1 2022 results reporting.

For further details on the consultation proposal and consolidated list of inclusion rules for PEPFI including consultation decisions – refer to the below documents

1. [MSCI Methodology Consultation Proposal – Changes to PEPFI Inclusion Criteria](#)
2. [Annexure: Summary of inclusion criteria for MSCI Pan-European Quarterly Property Fund Index \(Unfrozen\)](#)

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