

ANNEXURE: SUMMARY OF INCLUSION CRITERIA FOR MSCI PAN-EUROPEAN QUARTERLY PROPERTY FUND INDEX (UNFROZEN)

August 2021

Further to the announcement published for the conclusion of consultation on changes to inclusion criteria of MSCI Pan-European Quarterly Property Fund Index (Unfrozen), the following exhibits include details of the rules to be implemented.

The consultation conclusion announcement can be found at

<https://www.msci.com/real-estate-index-announcements#section12843674>

Exhibit 1: List of Index Inclusion Rules for PEPFI and Consultation Decision

| Rule # | Index Inclusion Rules | Consultation Decision | | |
|--------|--|-----------------------|--|--------------------|
| | | Rule Change | Quarterly review of fund's eligibility to the criteria | Observation Period |
| 1.a | Only professionally managed pooled / commingled property funds are eligible for inclusion in the Index | No | -- | -- |
| 1.b | Funds should have at least 80% of the Gross Asset Value (excl. Cash) invested in direct property in Europe. Funds of property funds, debt funds and property derivative funds are not eligible for inclusion within the Index. | Yes | Yes | 4 quarters |
| 2.a | Open ended and Semi open-ended funds are eligible for inclusion in the index | No | Yes | -- |
| 2.b | In case a fund closes to new contributions or redemptions for a sustained period of time, its inclusion in the index will be reviewed. | No | -- | -- |
| 3 | Only funds where the General Partner / Manager or equivalent for the fund has a discretionary mandate to manage its investments will be included in the Index | No | -- | -- |
| 4 | Fund should have been incorporated using a recognized legal structure | No | -- | -- |

| Rule # | Index Inclusion Rules | Consultation Decision | | |
|--------|---|-----------------------|--|--------------------|
| | | Rule Change | Quarterly review of fund's eligibility to the criteria | Observation Period |
| 5 | At the point of index inclusion and based on the latest period data, funds must have investment in minimum 3 regions of Europe and no region should represent more than 70% of fund's direct real estate capital value. At the point of inclusion, the fund will be included with full history. (for definition of regions, refer MSCI Pan-European Quarterly Property Index (Unfrozen) Methodology , Appendix 6.1: Definition of Europe & Identified Regions) | Yes | -- | -- |
| 6 | The fund must have a NAV equal to or greater than Euro 200m | No | -- | -- |
| 7 | Funds must carry no more than 60% leverage, where leverage is defined as the ratio of total debt to the fund's GAV | No | Yes | 4 quarters |
| 8 | Funds are eligible for inclusion in the index only if, <ul style="list-style-type: none"> All their underlying direct property performance is measured by MSCI at least quarterly The data required for fund reconciliation analysis is provided to MSCI at least quarterly Tenancy data for non-residential direct properties in the portfolio is provided to MSCI at least quarterly | Yes | Yes | -- |
| 9 | Funds are required to report their INREV NAV (non-adjusted), at least quarterly | Yes | Yes | -- |

| Rule # | Index Inclusion Rules | Consultation Decision | | |
|--------|---|-----------------------|--|--------------------|
| | | Rule Change | Quarterly review of fund's eligibility to the criteria | Observation Period |
| 10 | The NAV should be based on the quarterly revaluation of at least 95% of the value of each fund's property portfolio (including the value of other assets held through joint/indirect investments, derivatives and cash) | No | Yes | -- |
| 11 | The revaluation of the property portfolio should be undertaken using RICS red-book or similar principles and completed at least quarterly by a third-party appraiser. | No | Yes | -- |
| 12 | New funds are required to provide sufficient and complete data to compile the longest possible history of their investment performance, subject to a minimum of either three years, or the period from the date of launch of the fund | No | -- | -- |
| 13 | Constituents of the Index must calculate and report their NAV on a consistent basis from quarter to quarter. The method of calculating NAV should be in accordance with the INREV guidelines i.e., INREV NAV(non-adjusted). Constituent funds should disclose the basis of NAV computation to MSCI. | Yes | Yes | -- |

Exhibit 2: Sub-Index Inclusion Rules for PEPFI and Consultation Decision

| Rule # | Sub-index Inclusion Rules | Consultation Decision | | |
|--------|--|-----------------------|--|--------------------|
| | | Rule Change | Quarterly review of fund's eligibility to criteria | Observation Period |
| 1 | <p>MSCI Pan-European Balanced Funds Quarterly Property Fund Index (Unfrozen)</p> <p>It comprises of funds whose portfolios are diversified by:</p> <ul style="list-style-type: none"> a) <u>Property type</u>: such that no sector (i.e., retail, office, industrial, residential, hotel or other property) represents more than 70% of fund's direct real estate capital value. b) <u>Geography</u>: such that no region (as per Appendix 6.1 of the PEPFI methodology document) represents more than 70% of fund's direct real estate capital value. | Yes | Yes | -- |

Exhibit 3: Illustration of Methodology – Introduction of Observation Period for Existing Index Constituents

| | Period 1 | Period 2 | Period 3 | Period 4 | Period 5 | Period 6 | Period 7 | Period 8 |
|--|----------|--|----------|----------|----------|----------|----------|----------|
| Criteria adherence (Yes / No) | Yes | No | No | No | No | No | No | Yes |
| | | Observation Period During non-adherence (4 quarters) | | | | | | |
| Index Inclusion Status (Yes / No) | Yes | Yes | Yes | Yes | No | No | No | Yes |

Note: Period indicates quarter; Observation period is not applicable for sub-index

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