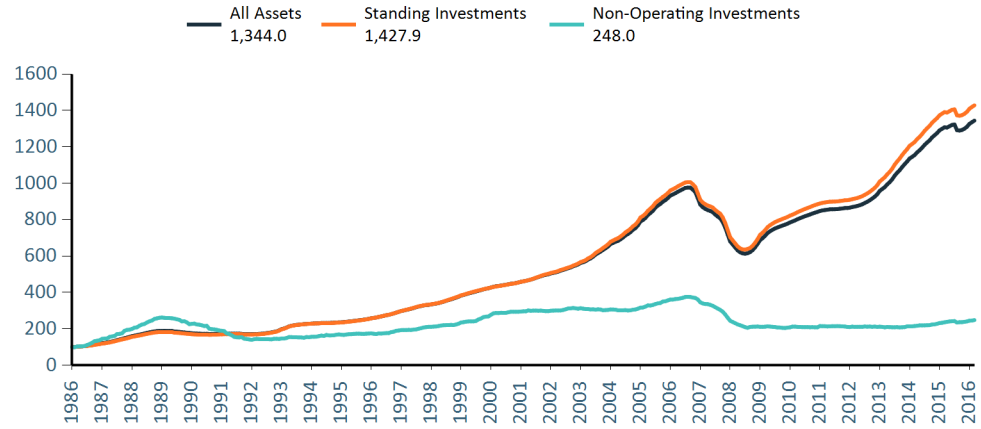
IPD® UK MONTHLY PROPERTY INDEX (GBP)

MSCI's *IPD* UK Monthly Property Index measures unlevered total returns of directly held standing property investments from one valuation to the next. The index tracks performance of 3,046 property investments, with a total capital value of GBP 44.6 billion as at February 2017.

MONTHLY INDEX PERFORMANCE - PROPERTY RETURNS (GBP) (DEC 1986 - FEB 2017)



CALENDAR YEAR PERFORMANCE (%)

YEAR	ALL ASSETS[1]	STANDING INVESTMENTS[2]	NON-OPERATING INVESTMENTS[3]
2016	2.8	2.6	5.5
2015	13.6	13.9	8.4
2014	18.6	19.5	1.0
2013	10.6	11.0	1.1
2012	2.2	2.3	-2.7
2011	8.0	8.1	3.4
2010	14.1	14.7	-1.4
2009	1.1	1.9	-13.6
2008	-23.0	-22.6	-29.4
2007	-5.3	-5.4	-4.2

INDEX PERFORMANCE - PROPERTY RETURNS (%) (FEB 2017)

					ANNUALIZED					
	1 Mo.	6 Mo	YTD	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception
All Assets[1]	0.7	4.2	1.3	2.8	7.9	11.2	9.5	9.5	3.6	9.0
Standing Investments[2]	0.6	4.2	1.3	2.7	7.9	11.4	9.8	9.8	3.9	9.2
Non-Operating Investments[3]	1.1	4.9	1.4	5.1	7.3	6.0	3.0	2.3	-3.8	3.1

INDEX RISK CHARACTERISTICS (%) (DEC 1986 - FEB 2017)

	MONTHLY					ANNUALIZED				
	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception
Standard Deviation	2.6	2.3	2.1	4.9	3.8	7.8	6.9	5.8	12.7	10.5
Sharpe Ratio[4]	4.2	3.9	4.3	0.4	0.9	1.4	1.3	1.6	0.2	0.3
Semi Deviation[5]	0.1	0.1	0.1	0.2	0.2	0.2	0.5	0.5	0.6	0.8

[4]Based on ICE LIBOR 1M
[5]Below-target semi deviation

CAPITAL INVESTED (TOTAL TO FEB 2017 % OF BEGINNING PERIOD CV)

	CUMULATIVE									
	1 Mo.	6 Mo	YTD	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception
Purchases[6]	0.4	1.7	0.5	2.8	12.4	26.4	45.3	67.1	86.4	359.0
Sales[7]	0.5	8.0	1.6	11.7	17.6	23.1	37.4	48.9	81.7	253.7

[6]Includes part purchases
[7]Includes part sales

INDEX METHODOLOGY

[1]All Asset performance measures every building in MSCI's index database comprised of all property sectors, ownership structures and interests.
[2]The Standing Investment Index subset is based on completed and lettable properties only, often described as operating properties.
[3]Non-Operating Property Index is constructed from those properties bought, sold, under development or major refurbishment. It tracks any property not included in the Standing Investment Index for the measurement period. Non-operating Index base dates may differ as MSCI's client confidentiality rules suppress data based on small or skewed samples.

All three direct property indexes are computed at the building level and exclude properties held indirectly through investment funds, the impact of debt, fund management fees, taxation and cash. For more details on MSCI's real estate market coverage, indexes and methodology, please visit www.msci.com/real-estate

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INDEX CHARACTERISTICS

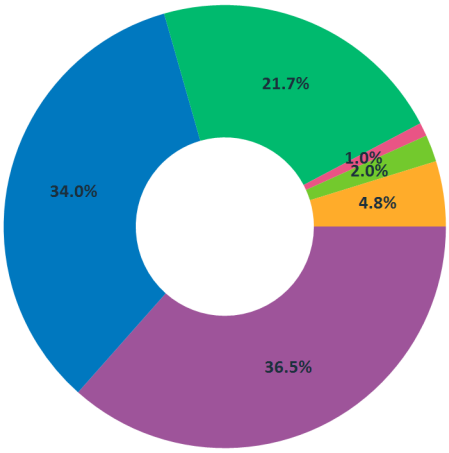
Market Value (GBP m)	44,620
Number of Portfolios	47
Number of Properties	3,046
Average Property Value (GBP m)	14.6
Value Appraised %	100

PERCENTILE DISTRIBUTION OF PROPERTY VALUES (GBP m)	
95th%	52.88
75th%	17.52
50th%	7.85
25th%	3.50
5th%	0.75

INDEX TRANSPARENCY

	TOTAL MARKET VALUE (GBP m)	AVERAGE PROPERTY VALUE (GBP m)	NUMBER OF PORTFOLIOS	NUMBER OF PROPERTIES	TOP 5 PROPERTIES
Retail	16,308	12.8	44	1,271	4.4%
Office	15,181	22.3	46	682	6.1%
Industrial	9,685	11.5	45	844	4.8%
Residential	440	19.1	12	23	44.5%
Hotel	877	14.9	22	59	27.8%
Other	2,129	12.8	34	167	14.1%

PROPERTY SECTOR WEIGHTS



Sector weights are calculated by aggregating the capital value of individual assets across the main property types. This illustrates the composition of the index and whether there is a heavier concentration in a particular property sector thus having a greater impact on the overall index performance.

- Retail
- Office
- Industrial
- Residential
- Hotel
- Other

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