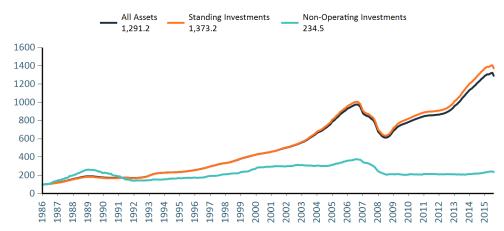# IPD® UK MONTHLY PROPERTY INDEX (GBP)

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 3,341 property investments, with a total capital value of GBP 47.0 billion as at July 2016. The market coverage is estimated to be 10.5% of the professionally managed real estate investment universe with results dating back to 1987.

MONTHLY INDEX PERFORMANCE - PROPERTY RETURNS (GBP)
(DEC 1986 - JUL 2016)

	All Assets	Standing Investments	Non-Operating Investments
	1,291.2	1,373.2	234.5

CALENDAR YEAR PERFORMANCE (%)

YEAR	ALL ASSETS[1]	STANDING INVESTMENTS[2]	NON-OPERATING INVESTMENTS[3]
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
2006	18.0	18.3	14.0

INDEX PERFORMANCE - PROPERTY RETURNS (%) (JUL 2016)

	1 Mo.	6 Mo	YTD	1 Yr	ANNUALIZED					
					2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception
All Assets[1]	-2.4	-0.6	0.1	5.5	10.5	12.9	9.4	11.2	3.9	9.0
Standing Investments[2]	-2.3	-0.6	0.0	5.5	10.8	13.3	9.7	11.6	4.3	9.3
Non-Operating Investments[3]	-3.3	0.6	1.2	6.8	5.9	3.5	2.3	1.9	-3.6	2.9

INDEX RISK CHARACTERISTICS (%) (DEC 1986 - JUL 2016)

	MONTHLY					ANNUALIZED				
	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception	3 Yr	5 Yr	7 Yr	10 Yr	Since Inception
Standard Deviation	2.5	2.3	2.5	5.0	3.8	6.5	6.6	7.4	14.9	10.6
Sharpe Ratio[4]	4.9	3.9	4.3	0.4	0.9	1.9	1.3	1.4	0.1	0.3
Semi Deviation[5]	0.1	0.1	0.1	0.2	0.2	0.4	0.5	0.6	0.7	0.8

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

CAPITAL INVESTED (TOTAL TO JUL 2016 % 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]	0.0	1.4	1.9	5.1	18.7	33.6	49.3	75.7	99.1	364.2
Sales[7]	1.2	3.4	3.6	7.1	12.2	18.3	31.7	43.8	74.3	240.0

[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 indexes and methodology, please visit www.msci.com/real-estate
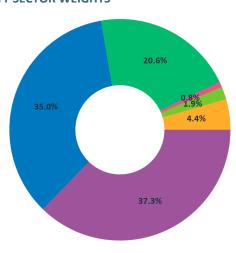
MSCI

INDEX CHARACTERISTICS

Market Value (GBP m)	46,965
Number of Portfolios	48
Number of Properties	3,341
Average Property Value (GBP m)	14.1
Value Appraised %	100

PERCENTILE DISTRIBUTION OF PROPERTY VALUES (GBP m)

95th%	49.95
75th%	17.00
50th%	7.40
25th%	3.25
5th%	0.80

INDEX TRANSPARENCY

	TOTAL MARKET VALUE (GBP m)	AVERAGE PROPERTY VALUE (GBP m)	NUMBER OF PORTFOLIOS	NUMBER OF PROPERTIES	TOP 5 PROPERTIES
Retail	17,500	12.6	44	1,385	4.6%
Office	16,440	21.1	47	779	5.7%
Industrial	9,685	10.7	45	902	4.6%
Residential	379	17.2	9	22	51.9%
Hotel	871	10.8	23	81	25.3%
Other	2,089	12.1	33	172	14.8%

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 — 37.3%
- Office — 35.0%
- Industrial — 20.6%
- Residential — 0.8%
- Hotel — 1.9%
- Other — 4.4%

INDEX SPONSORS

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