

A background image showing a dark blue screen with various financial charts, including line graphs and bar charts, overlaid with white text. The text is centered and reads: "Thanks for joining. This webinar will begin shortly".

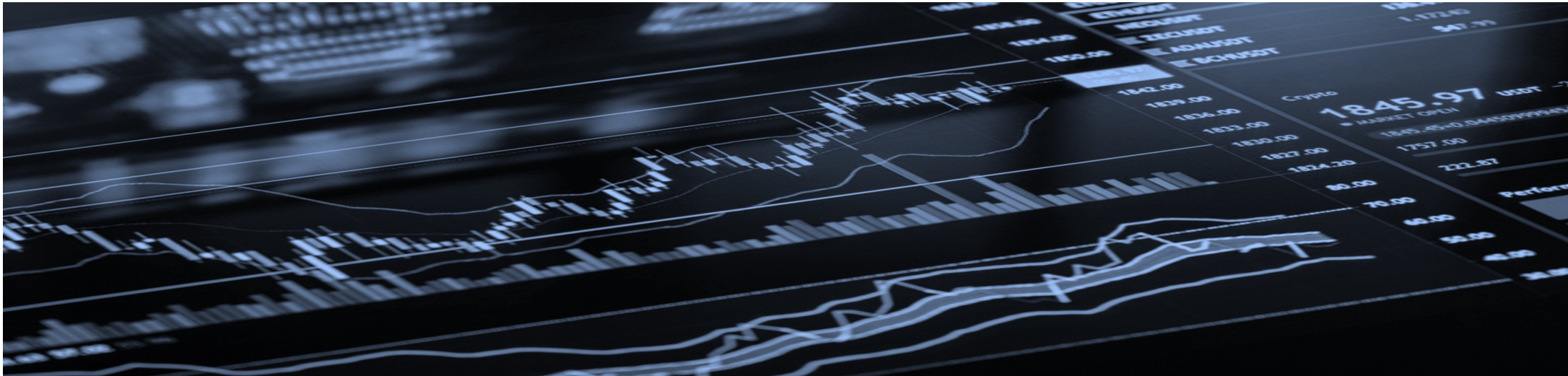
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This webinar will
begin shortly**

**Insights Unveiled:
MSCI/AREF UK Property Fund Index Analysis Webinar
Friday 19 April 2024**

(To ask a question throughout this webinar - click the Q&A button at the bottom of your screen to bring up the Q&A board)



This webinar will be recorded



Welcome

Mark Clacy-Jones

Head of Real Estate Strategy, abrdn
& Chair of AREF's Research Committee



Speakers for today



**Bryn Frost, Real Estate
Fund Strategist at
Abrdn**



**Tom Richardson, Fund
Manager at AEGON
Asset Management
& Chair of AREF's Index
Committee**



**Ed White
Head of UK Consultants
MSCI Real Estate**

Agenda

- 09.15 Welcome from [Mark Clacy-Jones, abrdn](#)
- 09.20 Presentation of the MSCI/AREF UK PFI from [Ed White, MSCI](#)
- 09.40 Views on the results from [Tom Richardson, Aegon](#) & [Bryn Frost, abrdn](#)
- 09.45 Q&A & panel discussion
- 10.00 Finish



(To ask a question throughout this webinar - please use the Q&A panel to type your question to the Moderator)

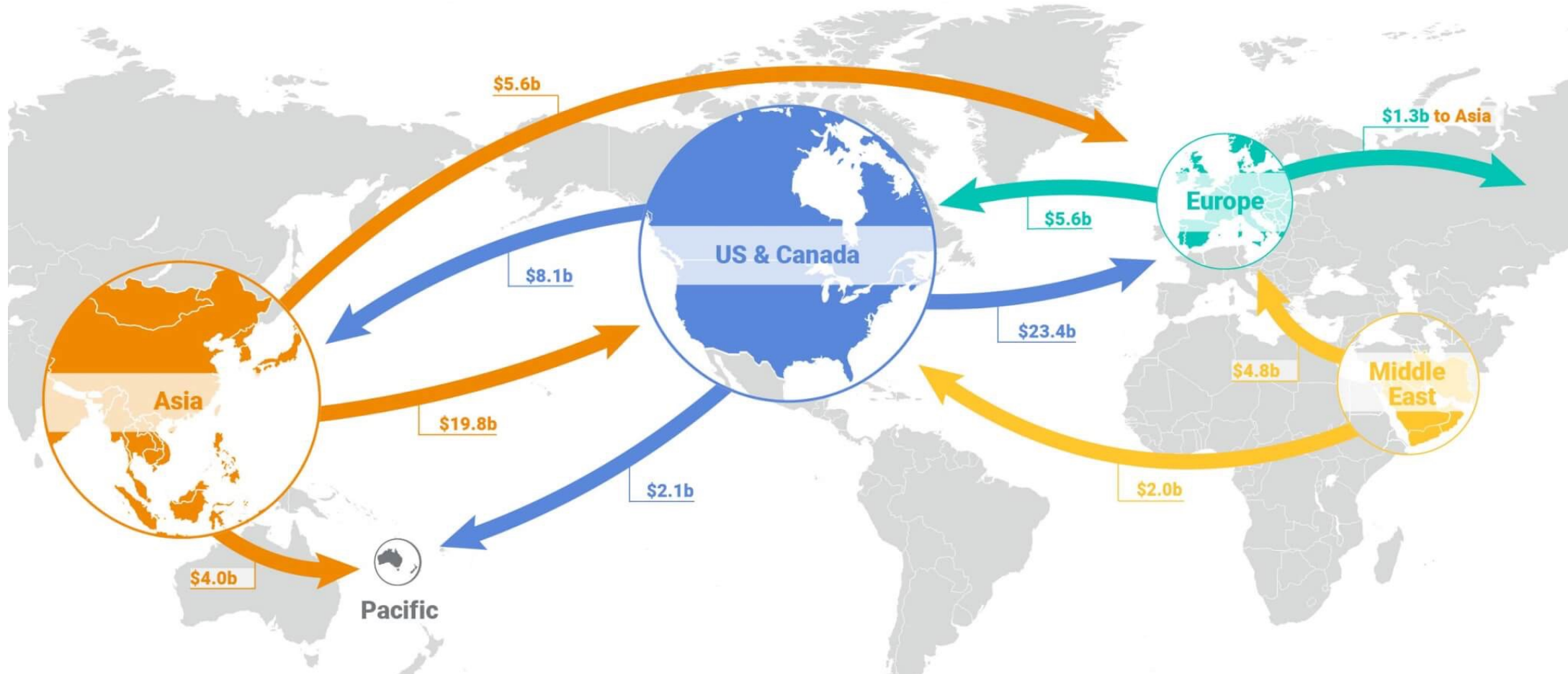


MSCI AREF Property Fund Index

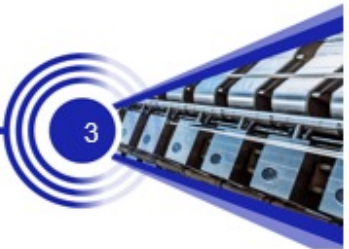
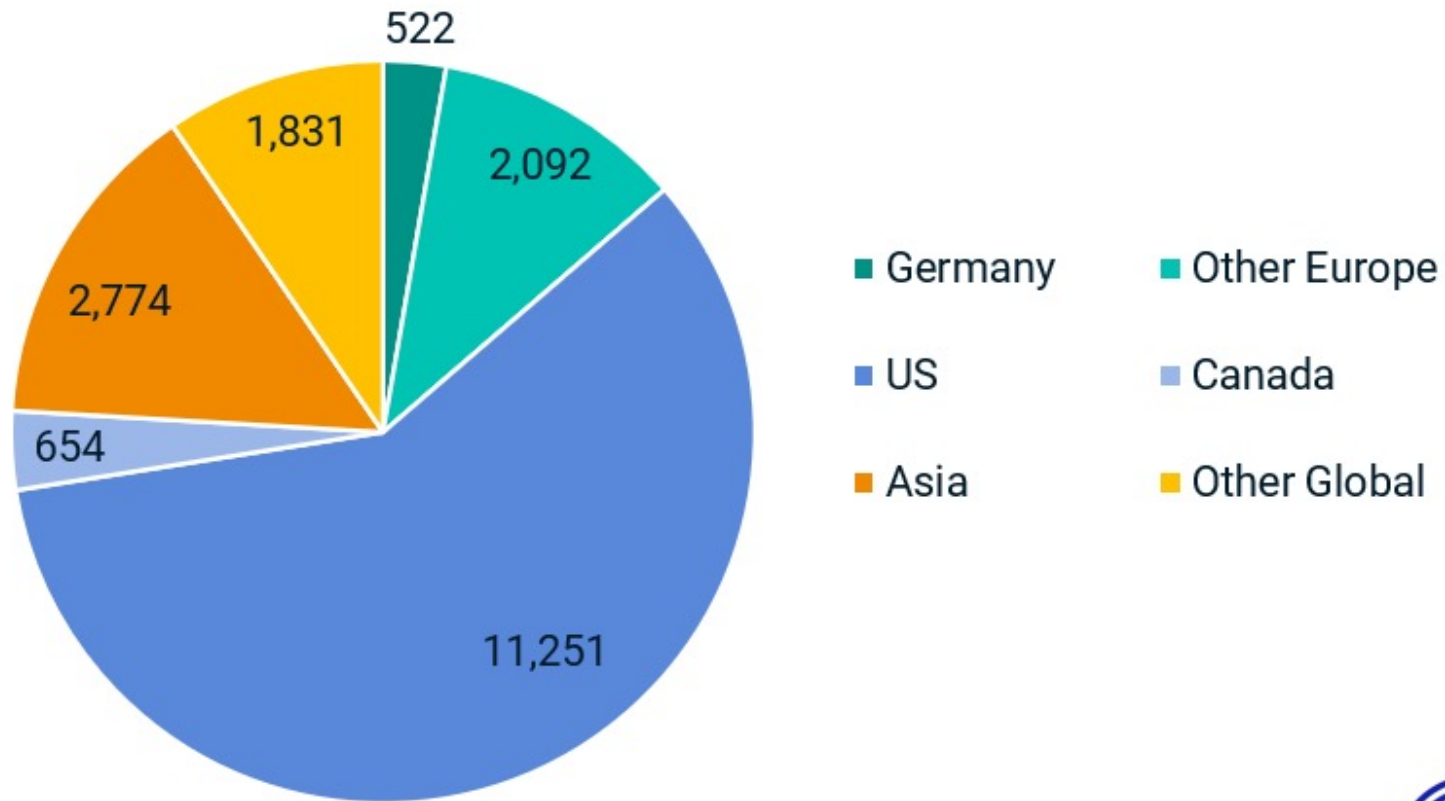
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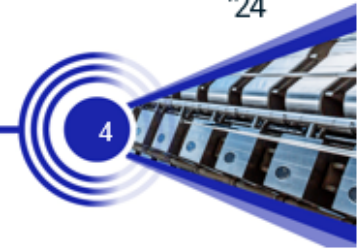
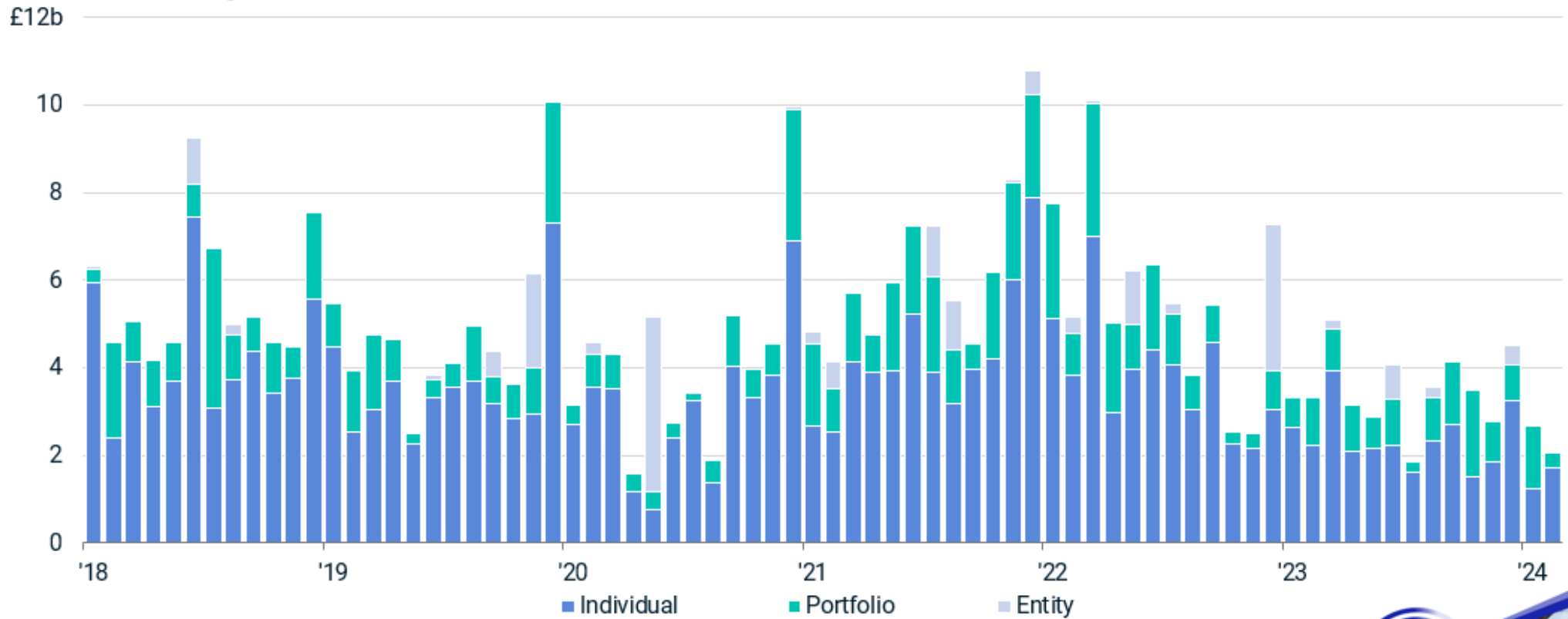
Global Real Estate Transaction flows 2023



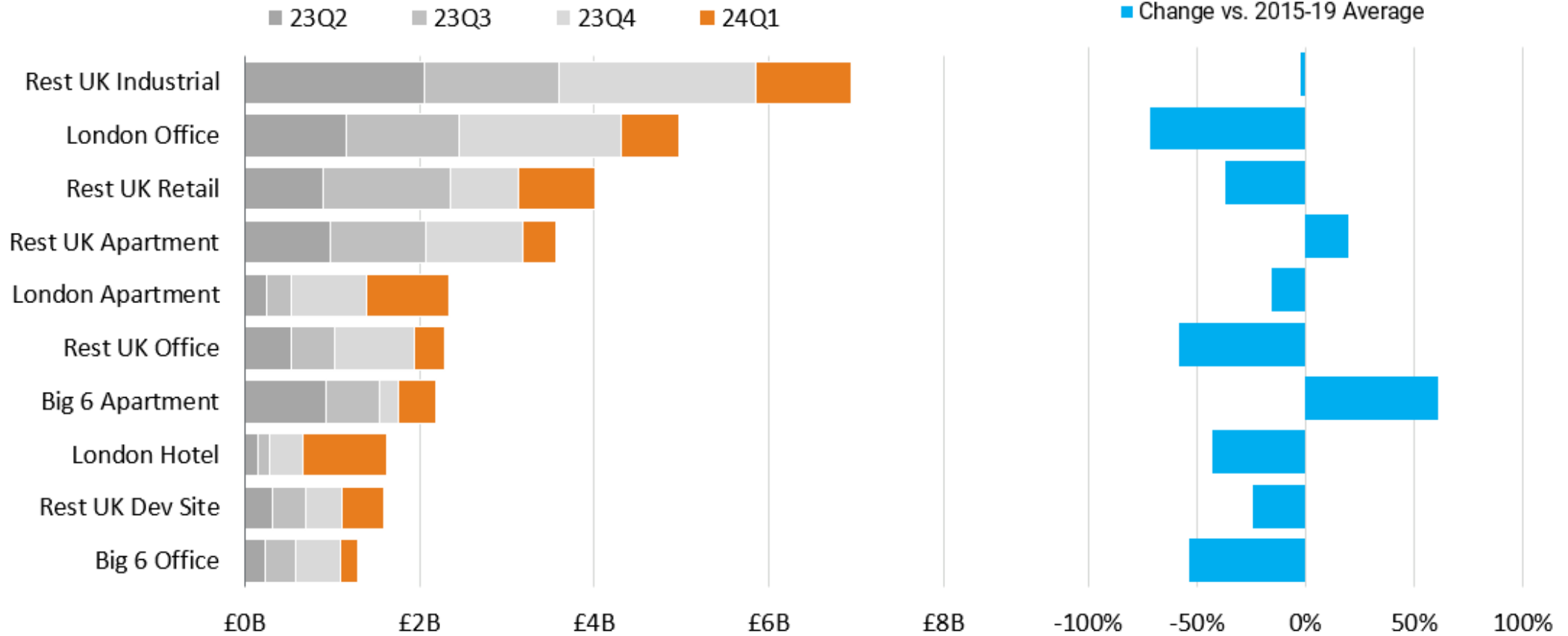
Sources of Capital Entering UK Market Last 12 Months totals over £19Bn



United Kingdom - Monthly Transaction Volume (£ Billions)



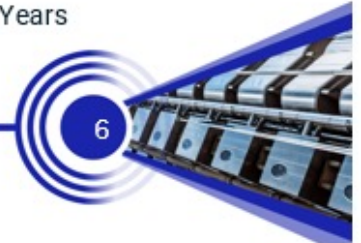
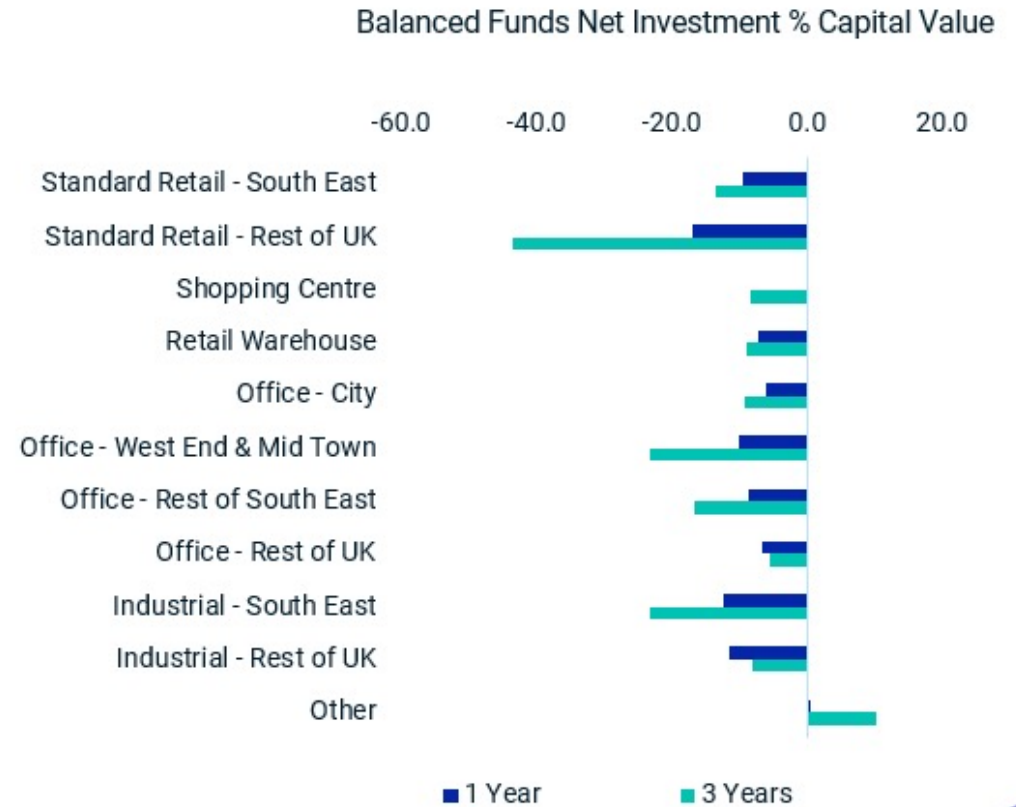
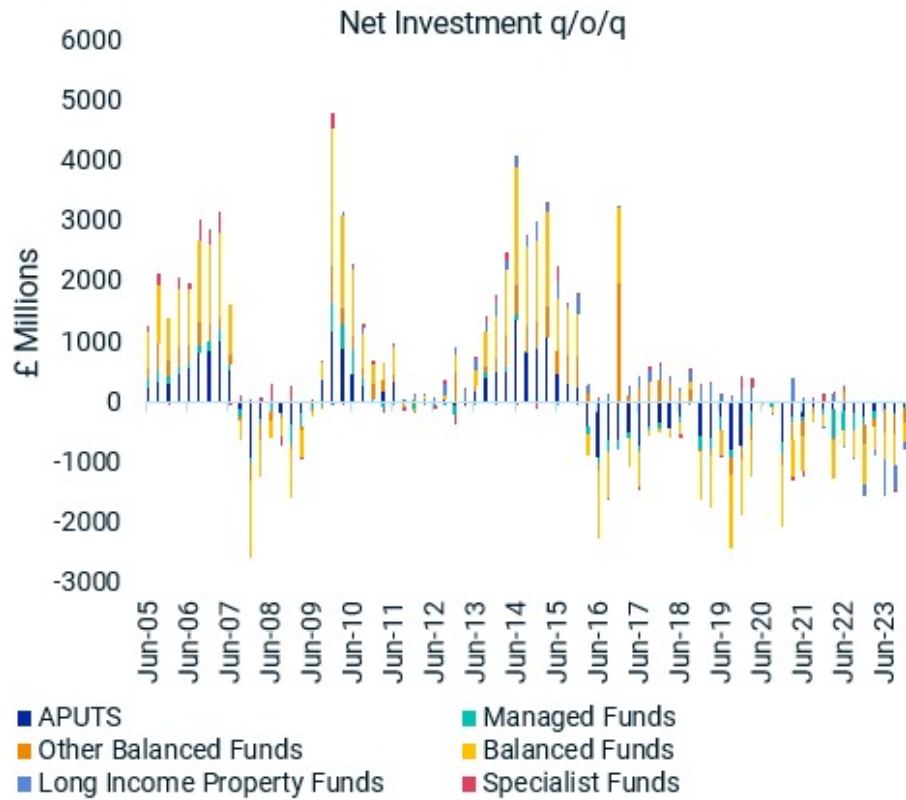
So where is capital being deployed?



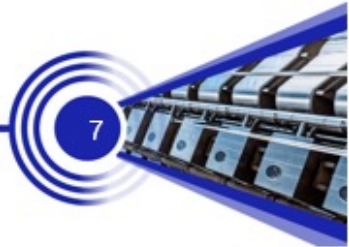
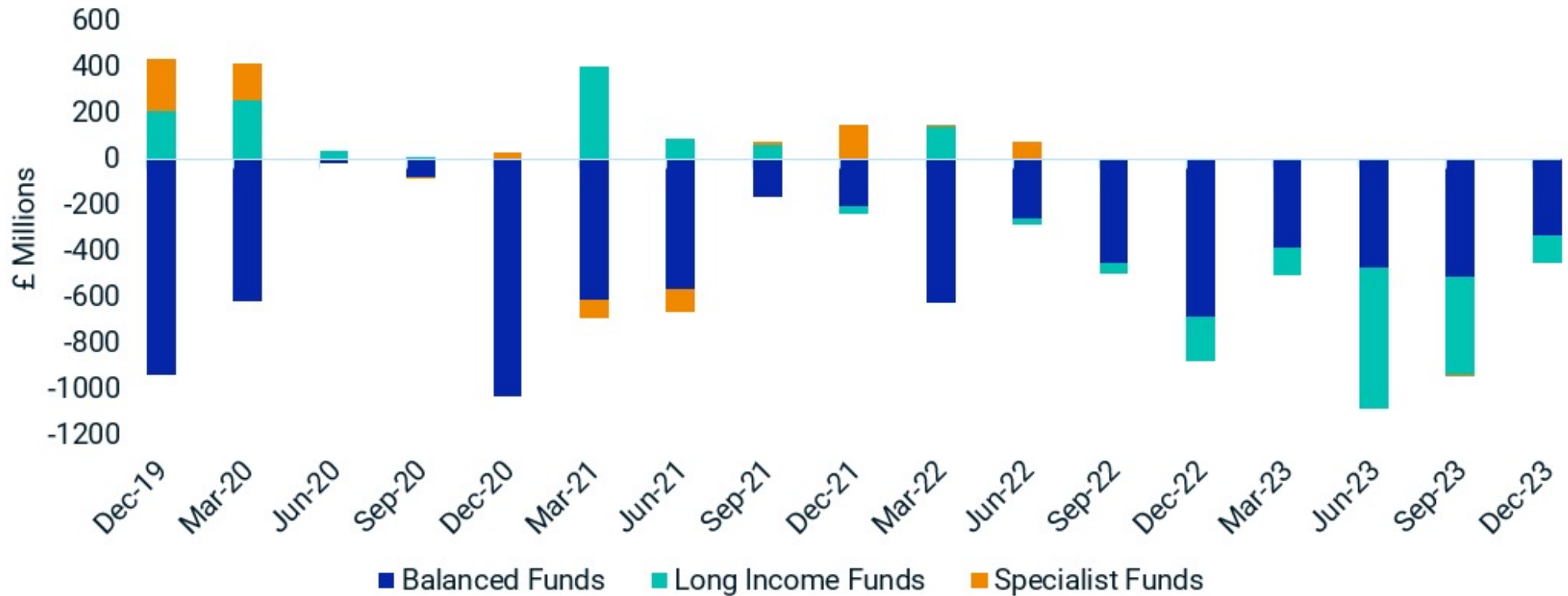
UK Transaction Volumes by Segment. Q2'23-Q1'24.

Information Classification: GENERAL

Trading in the MSCI/AREF UK PFI



Investment Flows: Net new Investment in funds per quarter to December 2023





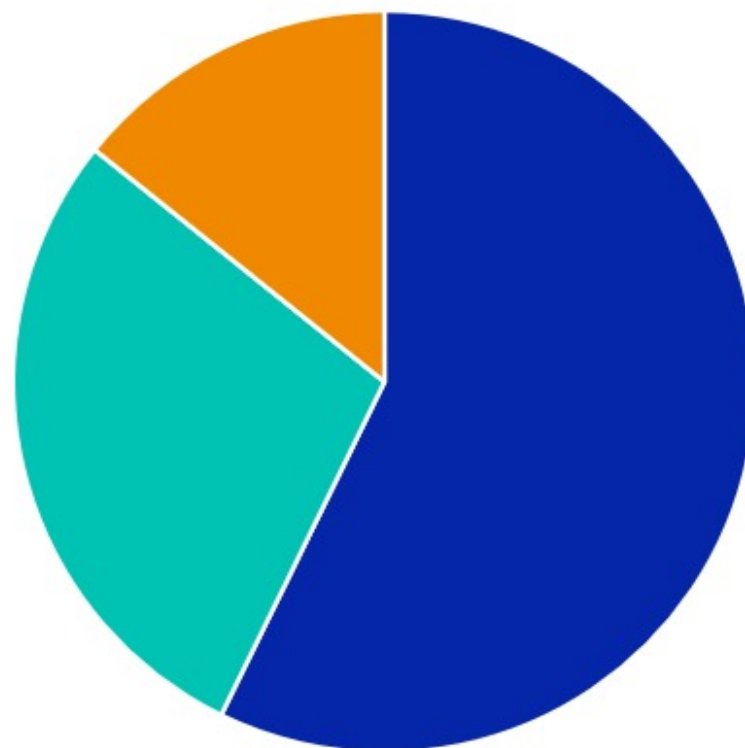
The Changing Structure of the index



Composition of Index % NAV

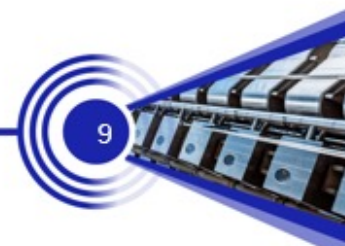
Airport Industrial Property Unit Trust
 Industrial Property Investment Fund
 Nuveen Real Estate Central London Office Fund
 Nuveen Real Estate UK Retail Warehouse Fund
 The Leisure Fund LP
 UNITE UK Student Accommodation Fund

AEW UK Impact Fund
 AXA UK Long Lease Property Fund
 BlackRock UK Long Lease Property Fund
 Fiera Real Estate Long Income Fund UK (FRELIF)
 KFIM Long Income Property Unit Trust
 Lime Property Fund
 LPI (Limited Price Inflation) Income Property Fund
 M&G Secure Property Income Fund
 PGIM Real Estate UK Ground Lease Fund
 Standard Life Investments Long Lease Property Fund



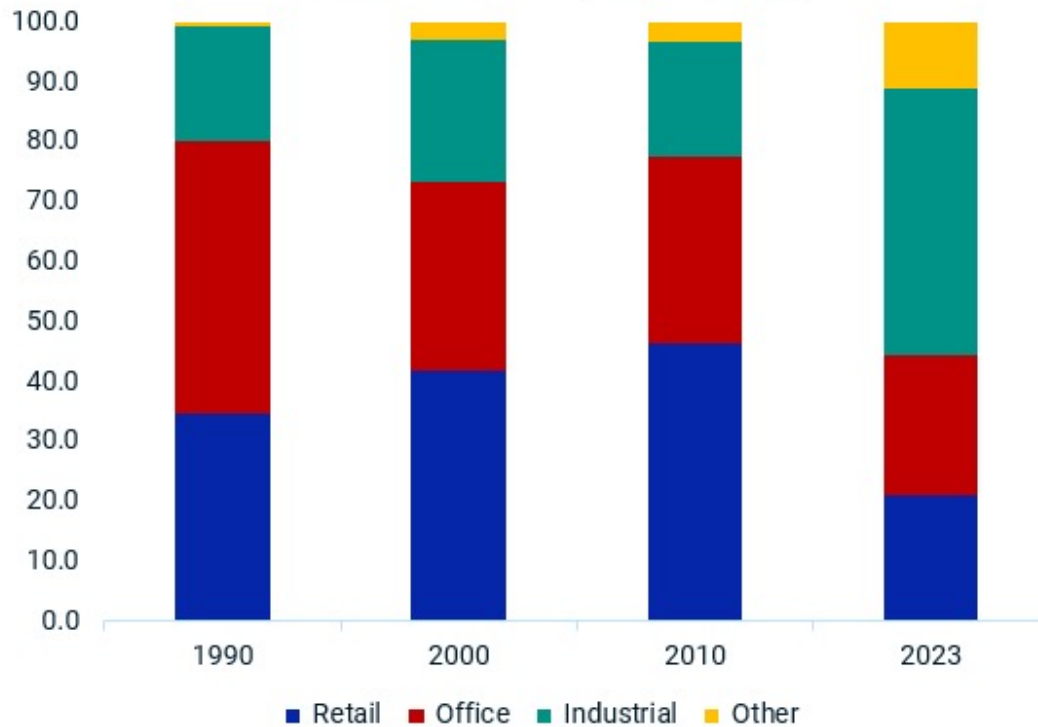
■ Balanced Funds ■ Long Income Funds ■ Other Funds

AEW UK Core Plus Property Fund
 BlackRock UK Property Fund
 CBRE UK Property PAIF
 COIF Charities Property Fund
 Federated Hermes Property Unit Trust
 Fidelity UK Real Estate Fund
 Legal & General Assurance (Pensions Management) Ltd
 MC PUT
 Nuveen Real Estate UK Property Fund
 Patrizia Hanover Property Unit Trust
 Royal London Property Fund
 Royal London UK Real Estate Fund
 Schroder Capital UK Real Estate Fund
 Standard Life Pooled Property Pension Fund
 The Charities Property Fund
 The Diversified Property Fund for Charities
 The Local Authorities Property Fund
 The Property Income Trust for Charities
 Threadneedle Pensions Limited
 Threadneedle Property Unit Trust
 Tritax Property Income Fund
 Triton Property Fund LP

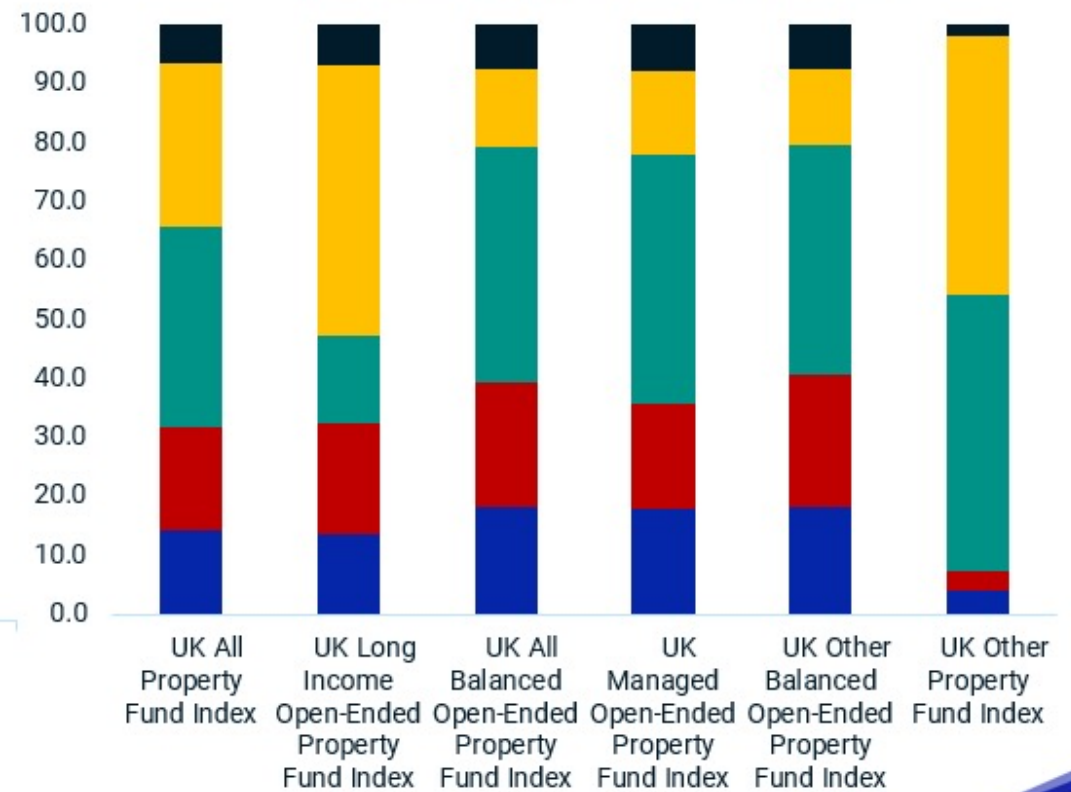


Structural Change in Indexes

Balanced Funds (Property only)



End Point breakdown across indexes

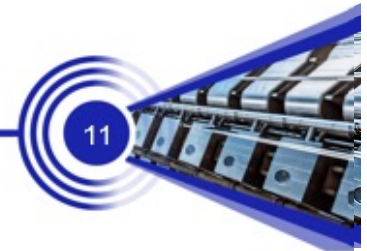


A new way of analysing the index.....

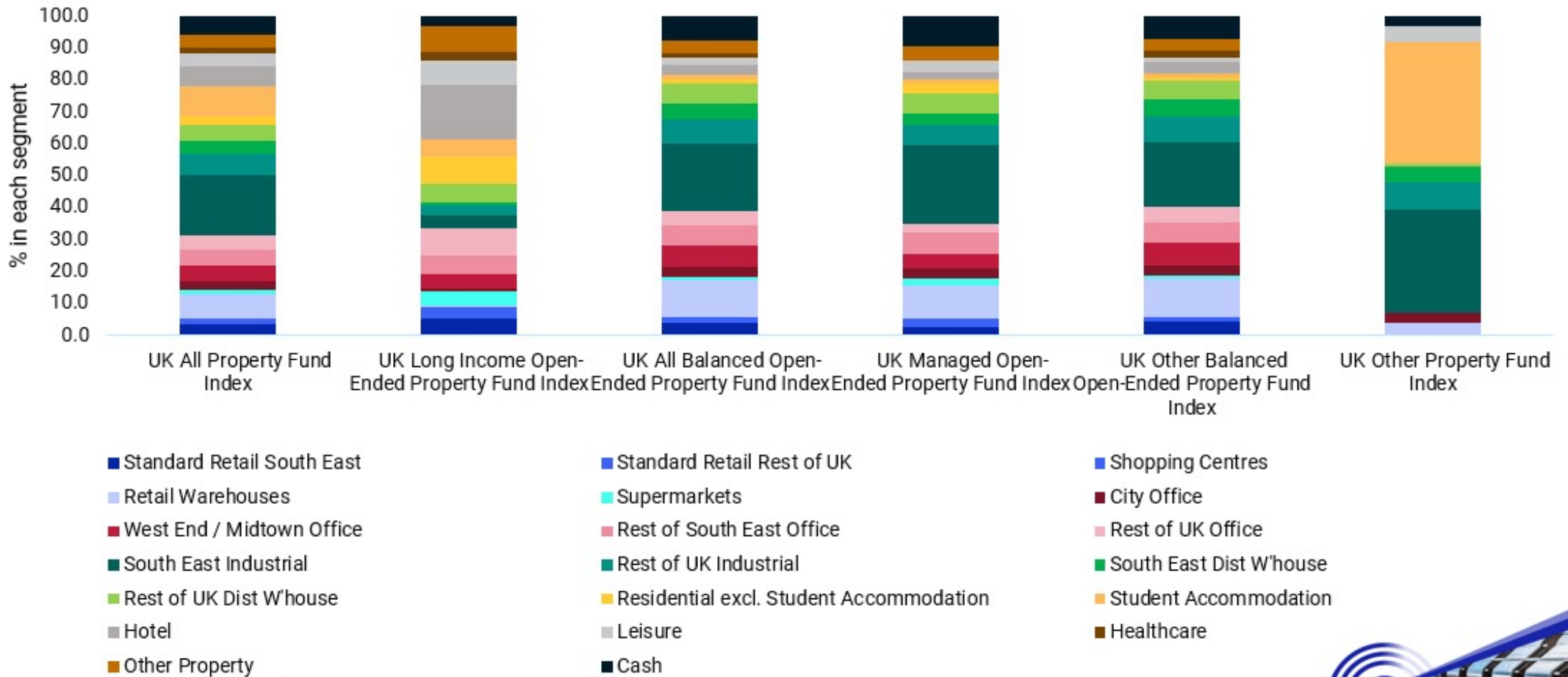
Standard Retail - South East
Standard Retail - Rest of UK
Shopping Centre
Retail Warehouse
Office - City
Office - West End & Mid Town
Office - Rest of South East
Office - Rest of UK
Industrial - South East
Industrial - Rest of UK
Other



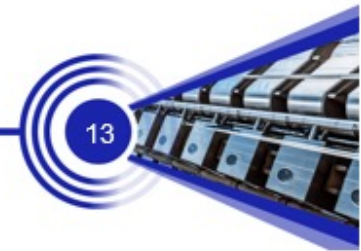
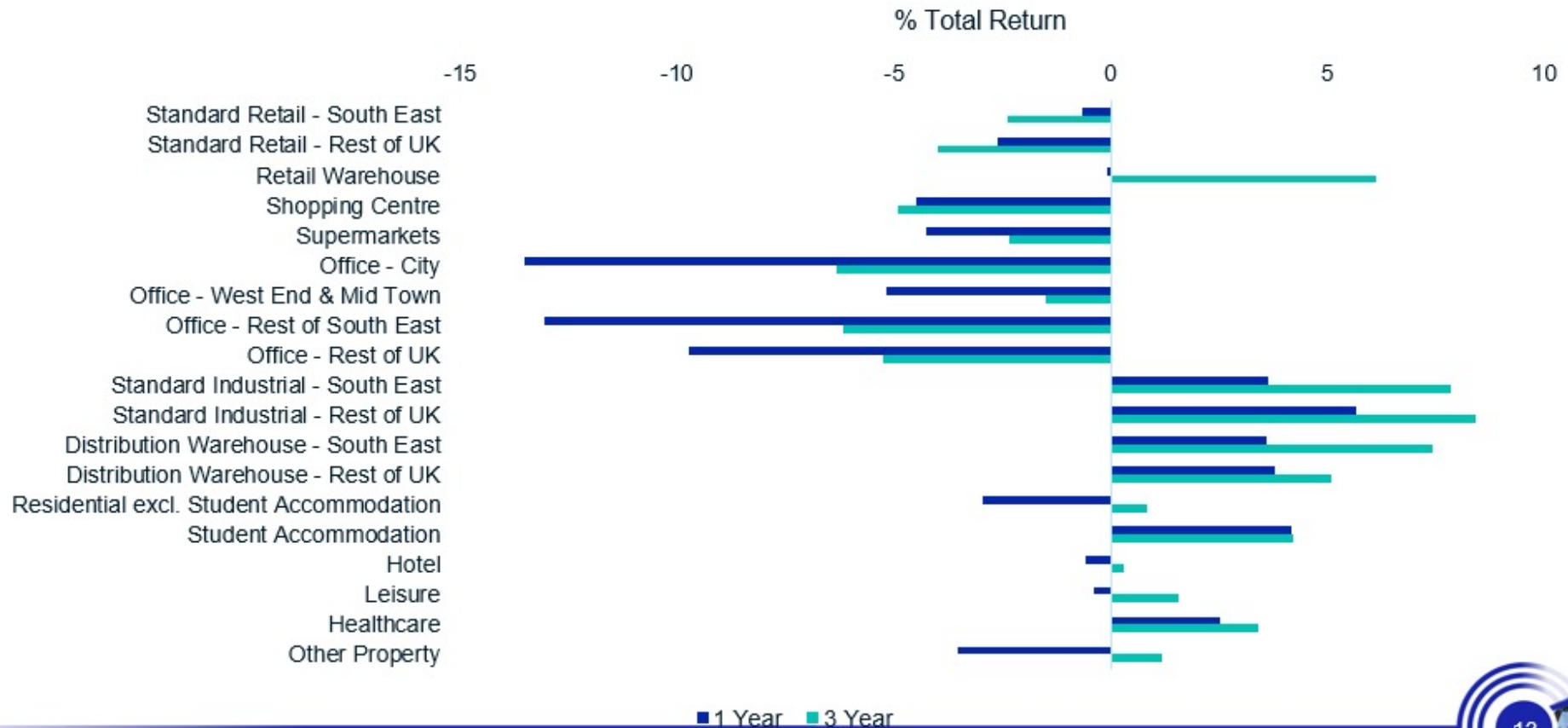
Standard Retail - South East
Standard Retail - Rest of UK
Shopping Centre
Retail Warehouse
Supermarkets (NEW!)
Office - City
Office - West End & Mid-Town
Office - Rest of South East
Office - Rest of UK
Standard Industrial - South East
Standard Industrial - Rest of UK
Distribution Warehouse - South East (NEW!)
Distribution Warehouse - Rest of UK (NEW!)
Residential excl. Student Accommodation (NEW!)
Student Accommodation (NEW!)
Hotel (NEW!)
Leisure (NEW!)
Healthcare (NEW!)
Other Property
Cash



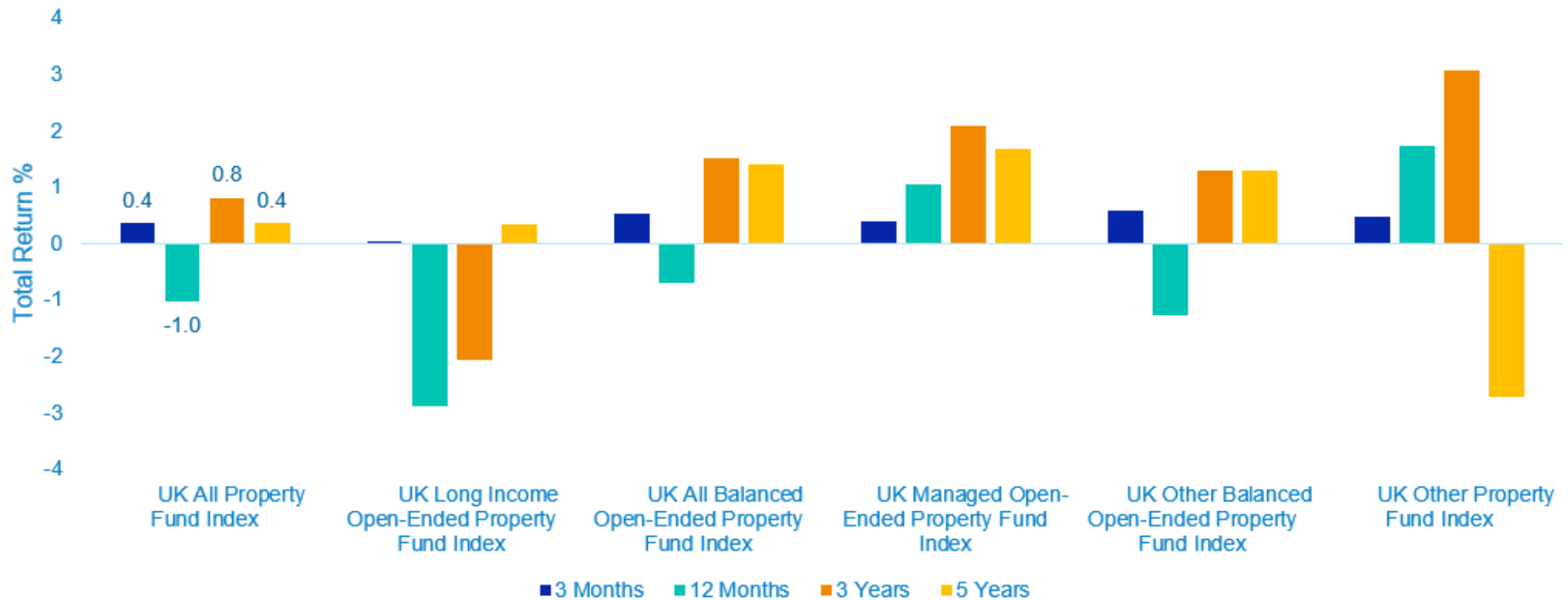
Segment Allocation as % NAV



Total Return – Direct Property 12 Months and 3 Years – MSCI AREF All Fund Index

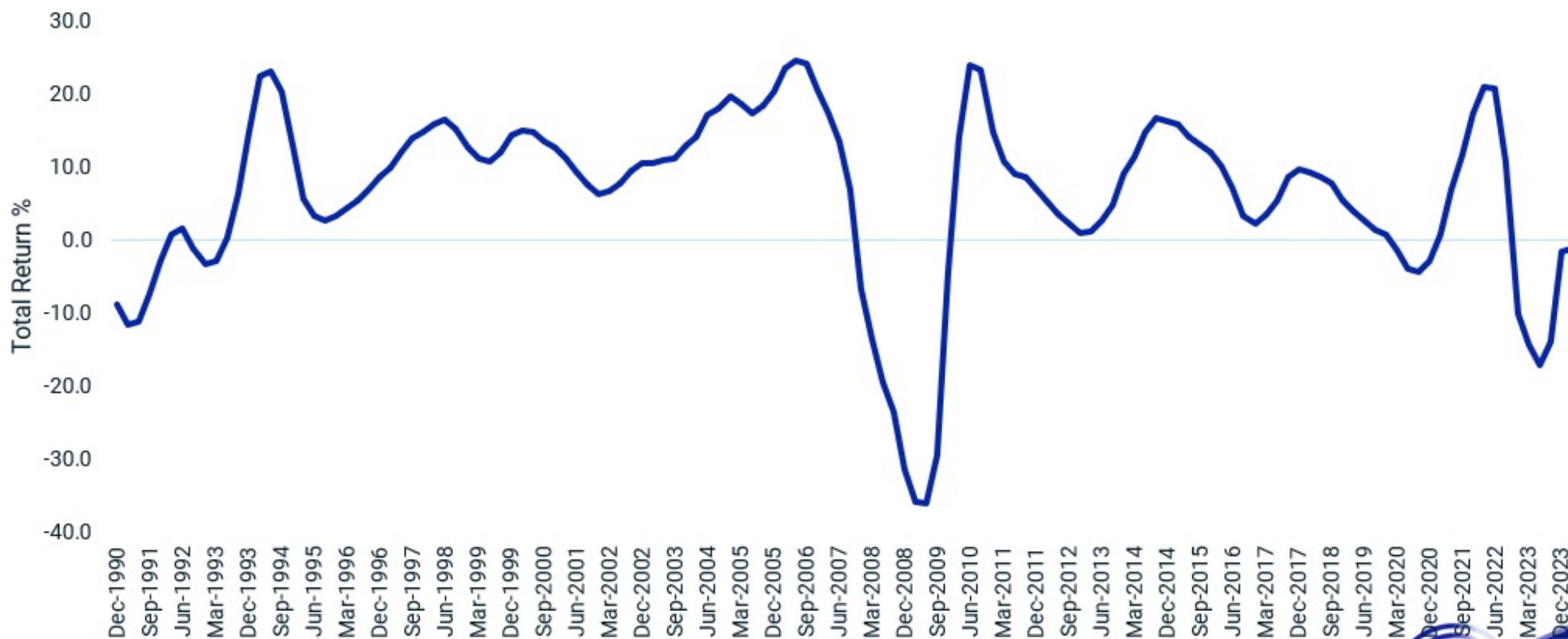


Total Return Annualised for all Indexes



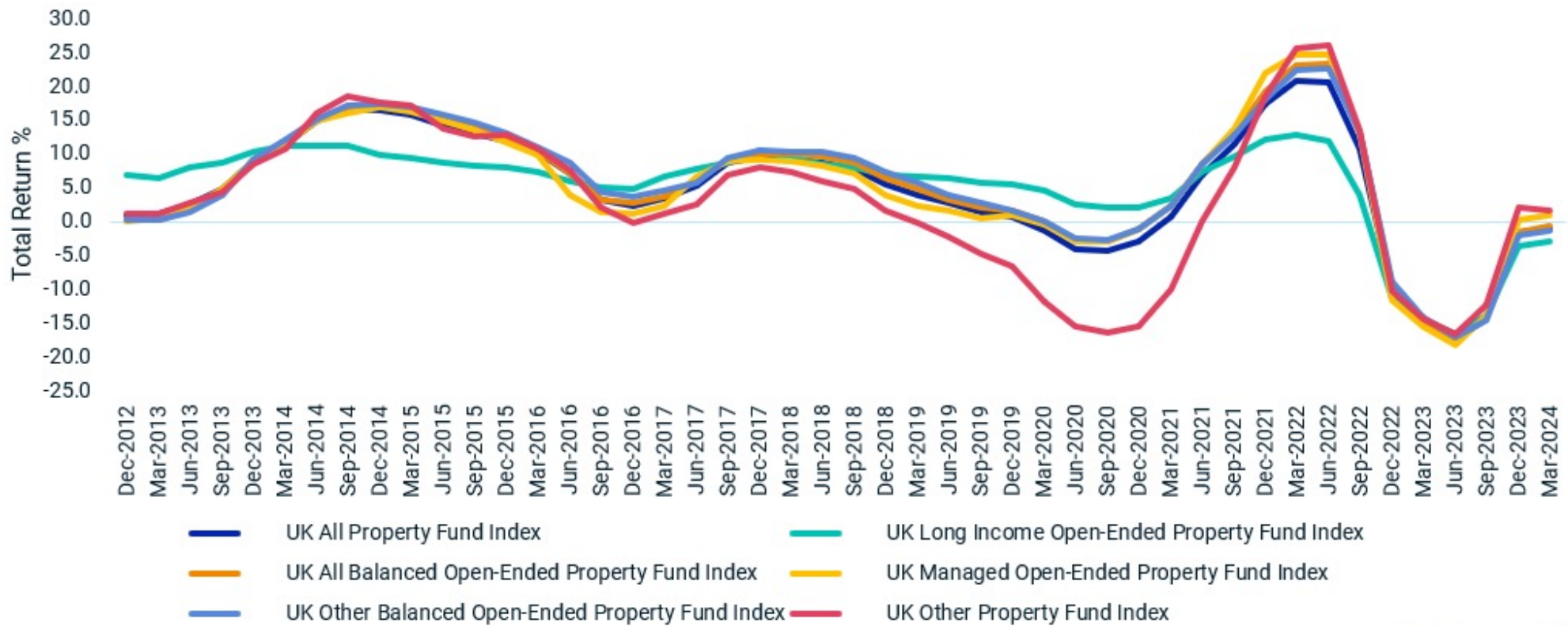
Total Return 1990-2024 Q1 – 12 Month Rolling

MSCI/AREF UK All Property Fund Index

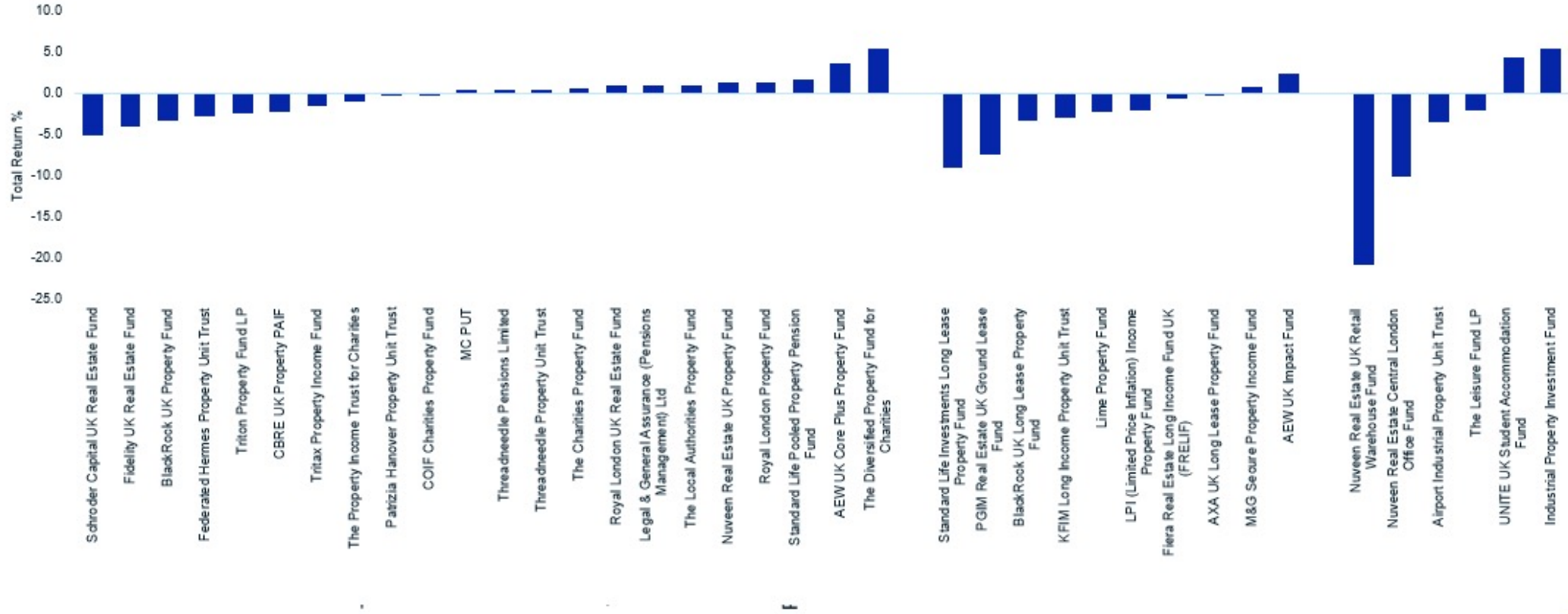


Total Return Last Ten Years – 12 Month Rolling

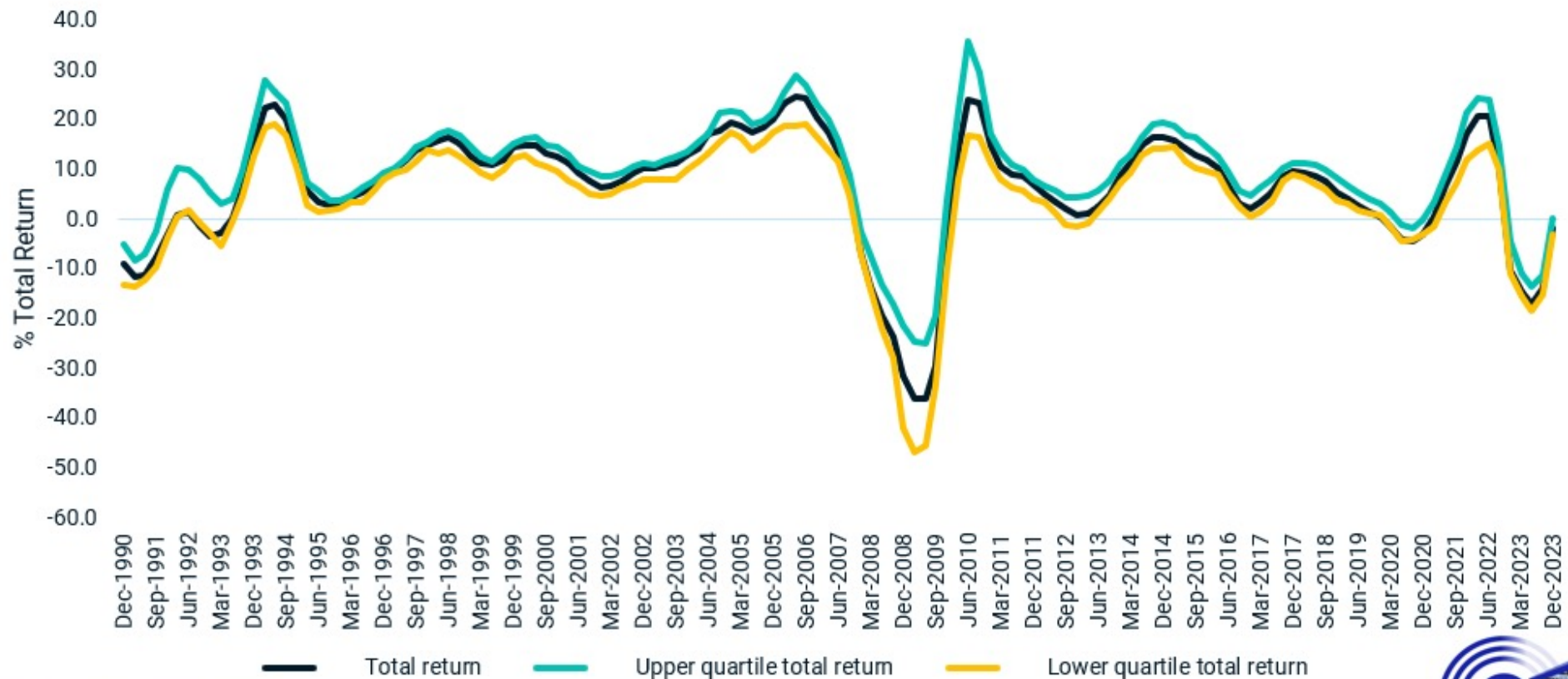
MSCI/AREF UK All Property Fund Index & Sub Indexes



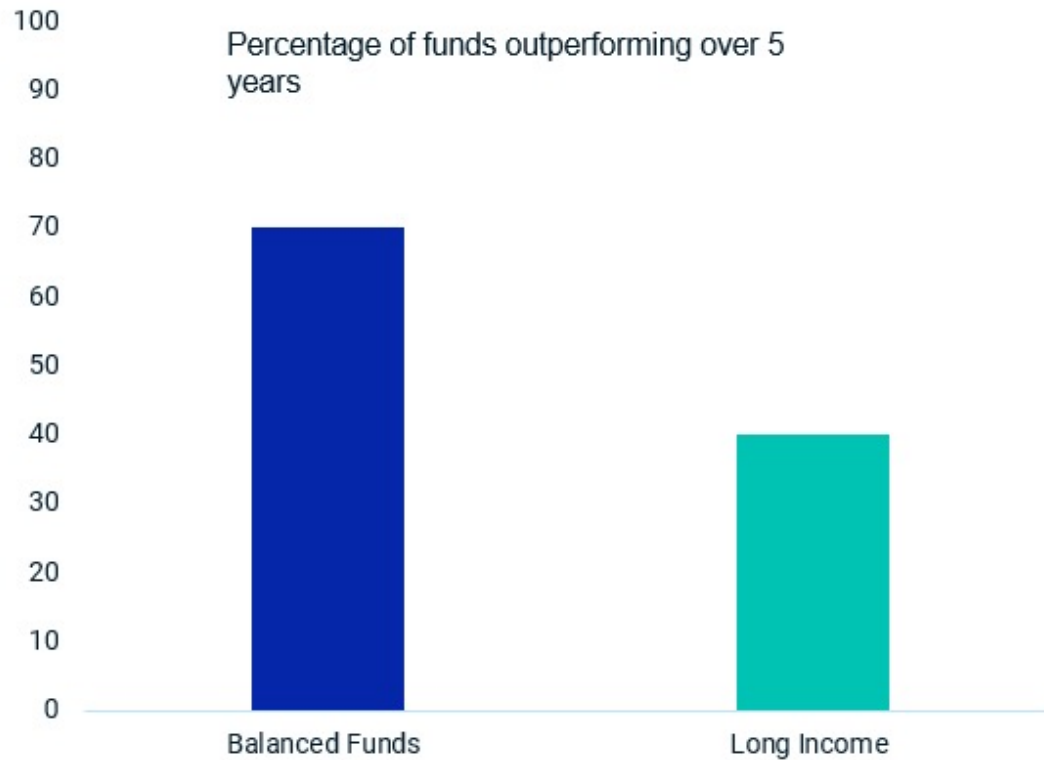
12 Month Total Return by Individual Portfolio



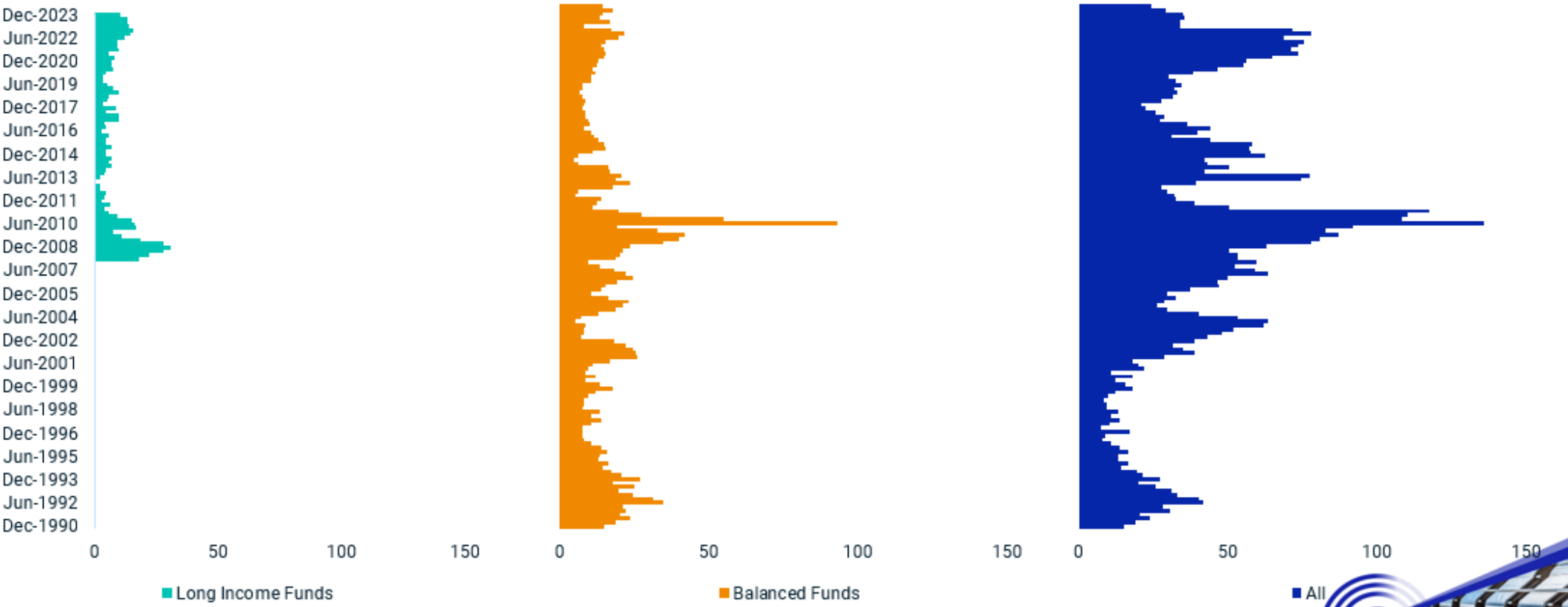
12 Month Interquartile Range – Total Return – All Fund Index



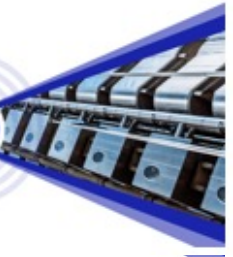
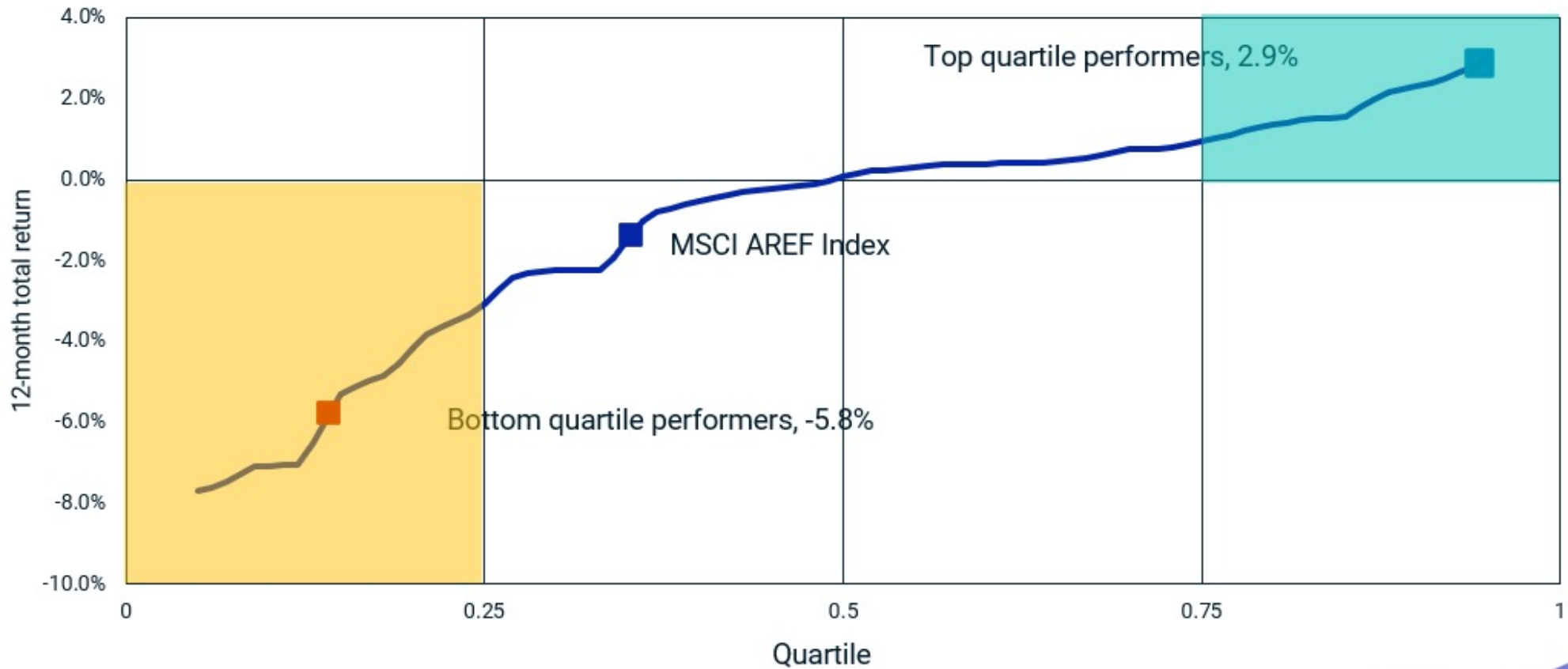
Propensity to Outperform



A spread of 25% between top and bottom performing portfolios.....where does this place historically?



Why did some funds outperform?

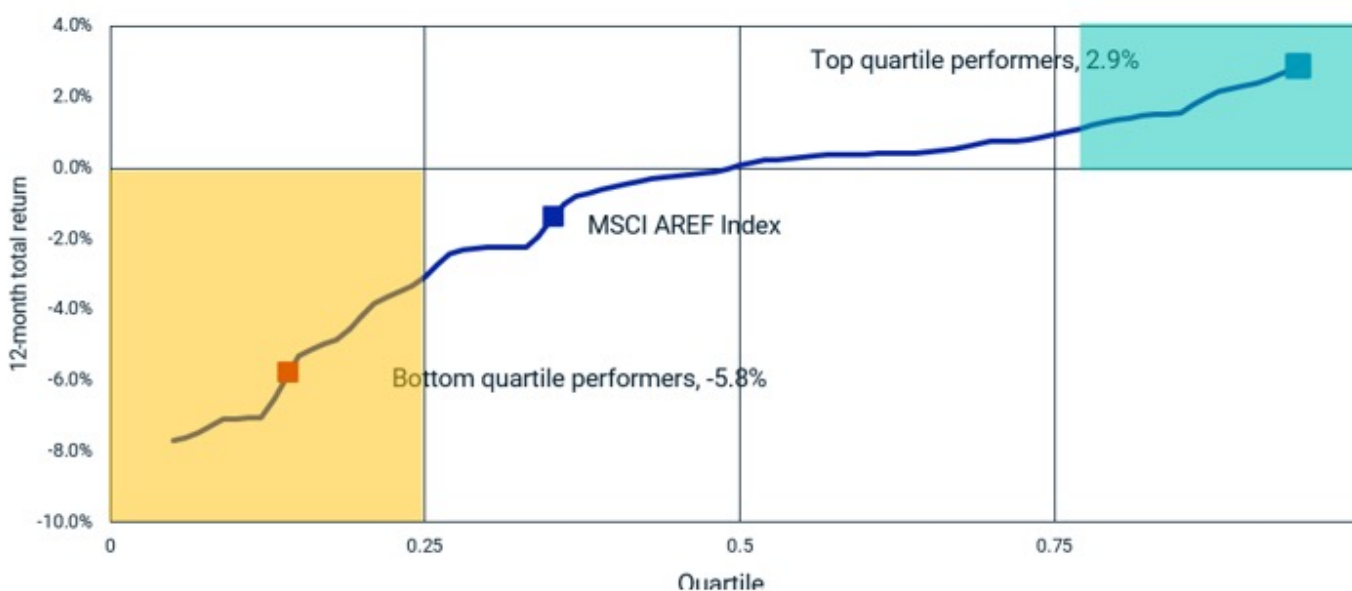


Characteristics of outperformers and underperformers (direct property)

	MSCI AREF Index	Top quartile	Bottom quartile
12-month performance*			
Total return	-1.4%	2.9%	-5.8%
Income return	4.8%	4.7%	4.9%
Capital return	-5.9%	-1.7%	-10.2%
Average fund size			
Average fund size	1,026	1,205	1,160
Average asset size			
Average asset size	18.3	17.8	21.1
Asset allocation			
Shopping Centres	1%	0%	1%
Retail Warehouse	9%	5%	7%
Other Retail	8%	9%	7%
Office	20%	11%	27%
Industrial	40%	53%	26%
Residential	6%	6%	10%
Hotel	7%	0%	12%
Other	10%	16%	11%
Income profile			
Unexpired lease term**	10.4	9.5	14.7
Vacancy rate (OMRV%)	8.2%	7.7%	6.5%
Over-renting (%RP)	-8.7%	-9.4%	-9.5%
Activity			
Turnover, %	12.4%	10.9%	13.3%
Net Inv't, %	-9.4%	-7.2%	-11.5%

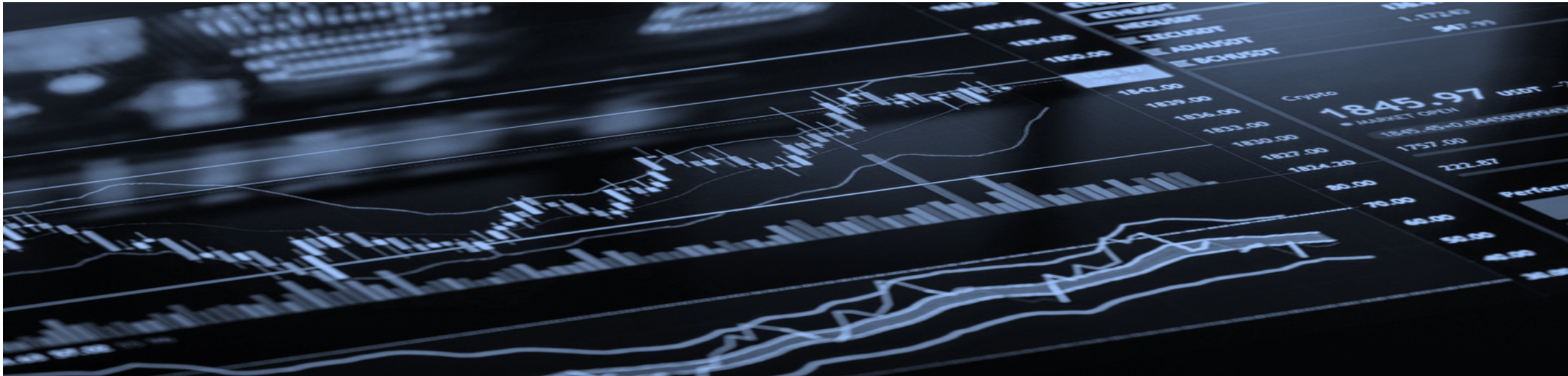
* Weighted average

** Breaks exercised, 30-year cap



Performance against other asset classes





Panel Discussion & Q&A

(To ask a question - please use the Q&A panel to type your question to the Moderator)

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