

# FTSE Nareit US Real Estate Index Series

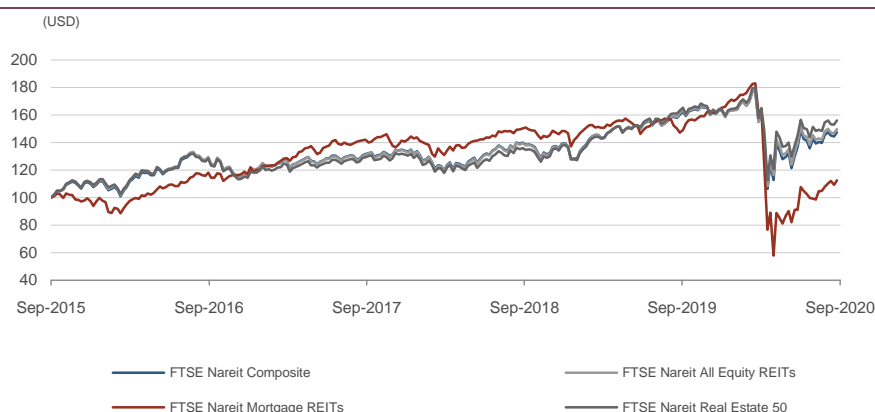
Data as at: 31 August 2020

The FTSE Nareit US Real Estate Index Series is designed to present investors with a comprehensive family of REIT performance indexes that spans the commercial real estate space across the US economy. The index series provides investors with exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets.

## About REITs

A REIT is a company that owns, and in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of many REITs are freely traded, usually on a major stock exchange. To qualify as a REIT, a company must distribute at least 90% of its taxable income to its shareholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its shareholders from its corporate taxable income. As a result, most REITs remit at least 100% of their taxable income to their shareholders and therefore owe no corporate tax. Taxes are paid by shareholders on the dividends received and any capital gains. Most states honor this federal treatment and also do not require REITs to pay state income tax. Like other businesses, but unlike partnerships, a REIT cannot pass any tax losses through to its investors.

## 5-Year Performance - Total Return



## Performance and Volatility - Total Return

| Index (USD)                  | Return % |       |       |       |       | Return pa %* |      | Volatility %** |      |      |      |
|------------------------------|----------|-------|-------|-------|-------|--------------|------|----------------|------|------|------|
|                              | 3M       | 6M    | YTD   | 12M   | 3YR   | 5YR          | 3YR  | 5YR            | 1YR  | 3YR  | 5YR  |
| FTSE Nareit Composite        | 6.9      | -6.0  | -11.4 | -9.0  | 10.9  | 42.3         | 3.5  | 7.3            | 41.6 | 25.0 | 16.6 |
| FTSE Nareit All Equity REITs | 6.4      | -4.3  | -9.9  | -8.1  | 13.1  | 44.5         | 4.2  | 7.6            | 41.4 | 24.4 | 16.0 |
| FTSE Nareit Mortgage REITs   | 21.0     | -31.5 | -35.0 | -25.0 | -22.2 | 9.3          | -8.0 | 1.8            | 65.8 | 45.4 | 38.2 |
| FTSE Nareit Real Estate 50   | 6.5      | -2.0  | -6.7  | -5.4  | 19.5  | 50.4         | 6.1  | 8.5            | 40.5 | 23.1 | 15.5 |

\* Compound annual returns measured over 3 and 5 years respectively

\*\* Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

## FEATURES

### Coverage

Publicly listed US REITs.

### Objective

The indexes are designed for the creation of structured products, index tracking funds, or as a performance benchmark.

### Investability

Stocks are free-float weighted to ensure that only the investable opportunity set is included within the indexes (with the exception of the FTSE Nareit All REITs Index).

### Liquidity

Stocks are screened to ensure that the indexes are tradable.

### Transparency

The indexes use a transparent, methodologies-based construction process. Index methodologies are freely available on the FTSE Russell website.

### Availability

The index is calculated based on price and total return methodologies, both real time and end-of-day.

**Year-on-Year Performance - Total Return**

| Index % (USD)                | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|
| FTSE Nareit Composite        | 27.6 | 7.3  | 19.7 | 2.3  | 27.2 | 2.1  | 9.4  | 9.3  | -3.9 | 28.2 |
| FTSE Nareit All Equity REITs | 27.9 | 8.3  | 19.7 | 2.9  | 28.0 | 2.8  | 8.6  | 8.7  | -4.0 | 28.7 |
| FTSE Nareit Mortgage REITs   | 22.6 | -2.4 | 19.9 | -2.0 | 17.9 | -8.9 | 22.8 | 19.8 | -2.5 | 21.3 |
| FTSE Nareit Real Estate 50   | 26.7 | 9.4  | 18.0 | -0.5 | 28.7 | 4.4  | 5.5  | 9.2  | -2.1 | 29.2 |

**Return/Risk Ratio and Drawdown - Total Return**

| Index (USD)                  | Return/Risk Ratio |      |     |      | Drawdown (%) |       |       |       |
|------------------------------|-------------------|------|-----|------|--------------|-------|-------|-------|
|                              | 1YR               | 3YR  | 5YR | 10YR | 1YR          | 3YR   | 5YR   | 10YR  |
| FTSE Nareit Composite        | -0.2              | 0.1  | 0.4 | 0.6  | -43.2        | -43.2 | -43.2 | -43.2 |
| FTSE Nareit All Equity REITs | -0.2              | 0.2  | 0.5 | 0.6  | -41.9        | -41.9 | -41.9 | -41.9 |
| FTSE Nareit Mortgage REITs   | -0.4              | -0.2 | 0.0 | 0.2  | -68.6        | -68.6 | -68.6 | -68.6 |
| FTSE Nareit Real Estate 50   | -0.1              | 0.2  | 0.5 | 0.7  | -40.9        | -40.9 | -40.9 | -40.9 |

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table

Drawdown - based on daily data

**Top 10 Constituents - FTSE Nareit Composite Index**

| Constituent            | Property Sector      | Net MCap (USDm) | Wgt %        |
|------------------------|----------------------|-----------------|--------------|
| American Tower Corp    | Infrastructure REITs | 109,733         | 9.61         |
| Prologis               | Industrial           | 74,846          | 6.55         |
| Equinix Inc            | Data Centers         | 69,294          | 6.07         |
| Crown Castle Intl Corp | Infrastructure REITs | 67,714          | 5.93         |
| Digital Realty Trust   | Data Centers         | 41,494          | 3.63         |
| SBA Communications     | Infrastructure REITs | 33,744          | 2.95         |
| Public Storage         | Self Storage         | 31,935          | 2.80         |
| Welltower Inc.         | Health Care          | 23,979          | 2.10         |
| Weyerhaeuser           | Timber REITs         | 22,572          | 1.98         |
| Avalonbay Communities  | Residential          | 22,175          | 1.94         |
| <b>Totals</b>          |                      | <b>497,485</b>  | <b>43.55</b> |

**Top 10 Constituents - FTSE Nareit All Equity REITs**

| Constituent            | Property Sector      | Net MCap (USDm) | Wgt %        |
|------------------------|----------------------|-----------------|--------------|
| American Tower Corp    | Infrastructure REITs | 109,733         | 10.06        |
| Prologis               | Industrial           | 74,846          | 6.86         |
| Equinix Inc            | Data Centers         | 69,294          | 6.36         |
| Crown Castle Intl Corp | Infrastructure REITs | 67,714          | 6.21         |
| Digital Realty Trust   | Data Centers         | 41,494          | 3.81         |
| SBA Communications     | Infrastructure REITs | 33,744          | 3.09         |
| Public Storage         | Self Storage         | 31,935          | 2.93         |
| Welltower Inc.         | Health Care          | 23,979          | 2.20         |
| Weyerhaeuser           | Timber REITs         | 22,572          | 2.07         |
| Avalonbay Communities  | Residential          | 22,175          | 2.03         |
| <b>Totals</b>          |                      | <b>497,485</b>  | <b>45.62</b> |

**Sector Breakdown**

| Property Sector | FTSE Nareit All Equity REITs |                 |       | FTSE Nareit Composite |                 |       | FTSE Nareit Real Estate 50 |                 |       |
|-----------------|------------------------------|-----------------|-------|-----------------------|-----------------|-------|----------------------------|-----------------|-------|
|                 | No. of Cons                  | Net MCap (USDm) | Wgt % | No. of Cons           | Net MCap (USDm) | Wgt % | No. of Cons                | Net MCap (USDm) | Wgt % |
|                 | 0                            | 0.00            |       | 0                     | 0.00            |       | 0                          | 0.00            |       |

**INFORMATION****Index Universe**

Nareit Domestic Real Estate Index Series

**Index Launch**

17 March 2006

**Base Date**

31 December 1971;

FTSE Nareit Real Estate 50: 31 December 1999

**Base Value**

100

FTSE Nareit Real Estate 50: 1000

**Investability Screen**

Actual free float applied and liquidity screened. (Free float adjusted since March 2006.)

**Index Calculation**

Real-time (calculated every 15 seconds) and end-of-day indexes available

**End-of-Day Distribution**

Via FTP and email

**Currency**

USD, EUR, GBP, JPY and Local

**Review Dates**

Quarterly in March, June, September and December

**History**

Nareit: From December 1971 to March 2006

FTSE: From March 2006 onward

## Index Characteristics

| Attributes                        | FTSE Nareit Composite | FTSE Nareit All Equity REITs | FTSE Nareit Mortgage REITs | FTSE Nareit Real Estate 50 |
|-----------------------------------|-----------------------|------------------------------|----------------------------|----------------------------|
| Number of constituents            | 193                   | 158                          | 35                         | 50                         |
| Net MCap (USDm)                   | 1,142,371             | 1,090,383                    | 51,988                     | 905,233                    |
| Dividend Yield %                  | 4.05                  | 3.74                         | 10.64                      | 3.57                       |
| Constituent Sizes (Net MCap USDm) |                       |                              |                            |                            |
| Average                           | 5,919                 | 6,901                        | 1,485                      | 18,105                     |
| Largest                           | 109,733               | 109,733                      | 10,485                     | 109,733                    |
| Smallest                          | 98                    | 98                           | 101                        | 3,483                      |
| Median                            | 1,760                 | 2,194                        | 614                        | 10,986                     |
| Weight of Largest Constituent (%) | 9.61                  | 10.06                        | 20.17                      | 12.12                      |
| Top 10 Holdings (% Index MCap)    | 43.55                 | 45.62                        | 73.77                      | 54.96                      |

## About NAREIT

Nareit is the trade association for REITs and publicly traded real estate companies with an interest in the US property and investment markets. See [www.reit.com](http://www.reit.com) for more information. FTSE and Nareit partnered in March 2006 to create the FTSE Nareit US Real Estate Index Series.

# Nareit®

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