

# FTSE Nareit US Real Estate Capped Index Series

Data as at: 31 August 2020

The FTSE Nareit® US Real Estate Capped Index Series is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the NYSE Arca or the NASDAQ National Market List. The objective of capping the FTSE Nareit US Real Estate Capped Index Series is to achieve no greater than 22.5% cap in any stock and all stocks above 5% to not exceed 45%. The weights within the index are allowed to float intra-review until the next quarterly review.

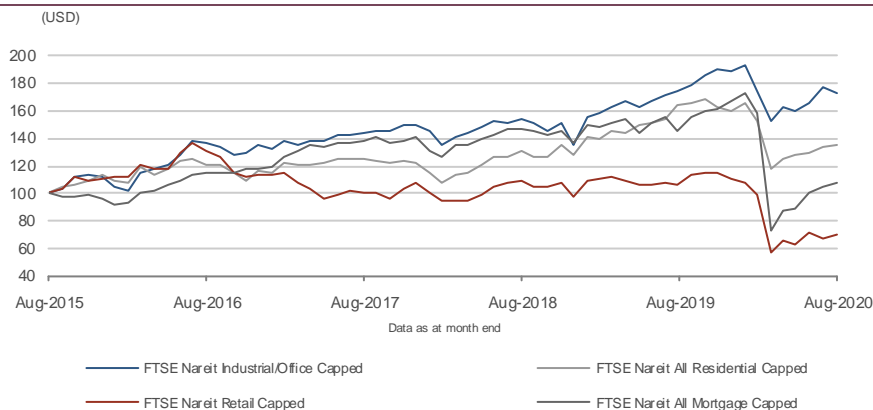
The FTSE Nareit US Real Estate Capped Index Series consists of 4 indexes:

- FTSE Nareit Industrial/Office Capped Index
- FTSE Nareit All Residential Capped Index
- FTSE Nareit Retail Capped Index
- FTSE Nareit All Mortgage Capped Index

## 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



## 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.

### Liquidity

Stocks are screened to ensure that the indexes are tradable.

### Capping

Individual constituent weights are capped on a quarterly basis to avoid over-concentration.

### 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, available end-of-day.

**Performance and Volatility - Total Return**

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE Nareit Industrial/Office Capped	8.3	-0.4	-8.0	-0.2	20.2	73.7	6.3	11.7	42.5	24.4	16.5
FTSE Nareit All Residential Capped	5.4	-11.4	-14.9	-17.7	8.4	35.6	2.7	6.3	43.9	27.4	18.1
FTSE Nareit Retail Capped	12.3	-29.5	-37.0	-34.4	-30.1	-29.9	-11.3	-6.9	61.7	47.2	30.6
FTSE Nareit All Mortgage Capped	20.6	-32.0	-35.6	-25.7	-22.2	8.1	-8.0	1.6	66.0	45.8	38.4

\* 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

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

Index % (USD)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FTSE Nareit Industrial/Office Capped	16.4	-2.1	19.4	5.9	23.9	0.8	19.7	11.0	-9.3	39.4
FTSE Nareit All Residential Capped	32.4	16.5	14.0	-3.1	35.6	11.9	3.2	4.3	4.5	25.0
FTSE Nareit Retail Capped	35.6	7.0	27.4	2.7	27.5	3.1	2.4	-5.8	-8.8	13.6
FTSE Nareit All Mortgage Capped	17.3	-9.0	22.8	-1.6	17.3	-9.0	22.5	19.2	-2.4	22.0

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

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE Nareit Industrial/Office Capped	0.0	0.3	0.7	0.6	-39.5	-39.5	-39.5	-39.5
FTSE Nareit All Residential Capped	-0.4	0.1	0.3	0.6	-44.3	-44.3	-44.3	-44.3
FTSE Nareit Retail Capped	-0.5	-0.3	-0.2	0.1	-58.0	-58.0	-64.2	-64.2
FTSE Nareit All Mortgage Capped	-0.4	-0.2	0.0	0.1	-68.8	-68.8	-68.8	-68.8

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

Drawdown - based on daily data

**Top 5 Constituents - FTSE Nareit Industrial/Office Capped**

Constituent	Property Sector	Net MCap (USDm)	Wgt %
Prologis	Industrial	31,138	24.42
Duke Realty Corp	Industrial	8,429	6.61
Americold Realty Trust	Industrial	6,251	4.90
Alexandria Real Estate Equity	Office	5,805	4.55
Rexford Industrial Realty	Industrial	5,549	4.35
<b>Totals</b>		<b>57,171</b>	<b>44.83</b>

**Top 5 Constituents - FTSE Nareit All Residential Capped**

Constituent	Property Sector	Net MCap (USDm)	Wgt %
Public Storage	Self Storage	28,534	9.85
Welltower Inc.	Health Care	21,426	7.39
Avalonbay Communities	Residential	19,814	6.84
Equity Residential	Residential	18,482	6.38
Sun Communities	Residential	14,361	4.96
<b>Totals</b>		<b>102,617</b>	<b>35.41</b>

**Top 5 Constituents - FTSE Nareit Retail Capped**

Constituent	Property Sector	Net MCap (USDm)	Wgt %
Realty Income	Retail	16,724	19.73
Simon Property Group	Retail	16,184	19.10
Regency Centers	Retail	5,243	6.19
Store Capital REIT	Retail	4,843	5.71
National Retail Properties	Retail	3,964	4.68
<b>Totals</b>		<b>46,957</b>	<b>55.40</b>

**INFORMATION****Index Universe**

Nareit Domestic Real Estate Index Series

**Index Launch**

3 February 2009

**Base Date**

19 December 2008

**Base Value**

1000

**Investability Screen**

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

**Index Calculation**

End-of-Day indexes available

**End-of-Day Distribution**

Via FTP and email

**Currency**

USD, EUR, GBP, JPY

**Review Dates**

Quarterly in March, June, September and December

**History**

Nareit: From December 1971 to March 2006

FTSE: From March 2006 onward

**Top 5 Constituents - FTSE Nareit All Mortgage Capped**

Constituent	Property Sector	Net MCap (USDm)	Wgt %
Annaly Capital Management	Home Financing	8,289	18.39
AGNC Investment	Home Financing	6,312	14.00
Starwood Property Trust Inc.	Commercial Financing	3,358	7.45
Hannon Armstrong Sustainable Infrastructure Capital	Commercial Financing	2,845	6.31
Blackstone Mortgage Trust	Commercial Financing	2,564	5.69
<b>Totals</b>		<b>23,369</b>	<b>51.84</b>

**Index Characteristics**

Attributes	FTSE Nareit Industrial/Office Capped	FTSE Nareit All Residential Capped	FTSE Nareit Retail Capped	FTSE Nareit All Mortgage Capped
Number of constituents	31	43	31	35
Net MCap (USDm)	127,528	289,796	84,754	45,083
Dividend Yield %	3.32	4.02	6.70	10.74
Constituent Sizes (Net MCap USDm)				
Average	4,114	6,739	2,734	1,288
Largest	31,138	28,534	16,724	8,289
Smallest	195	98	126	101
Median	3,514	4,624	1,259	614
Weight of Largest Constituent (%)	24.42	9.85	19.73	18.39
Top 10 Holdings (% Index MCap)	64.48	58.56	76.18	69.75

**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.



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