

SOLUTION OVERVIEW

FTSE EPRA Nareit Global Real Estate Index Series

Global real estate stock coverage

The FTSE EPRA Nareit Global Real Estate Index Series was launched to reflect the real estate segment and is designed to be used to track, benchmark, and analyze this segment at either a broad industry-wide level or on a sector-by-sector basis. This index series includes global listed real estate stocks, which are less correlated to the broader equity market and typically pay consistent dividends, supporting inflation management and long-term total returns.

The indexes are built with and overseen by global real estate industry experts. The index methodology is reviewed regularly by the FTSE EPRA Nareit Global Real Estate Index Series Supervisory and Regional Advisory Committees to advise on the optimal construction and maintenance of the indexes.

What is a REIT?

A real estate investment trust (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 returns of listed real estate including REITs are correlated with owning commercial real estate globally.

The shares of many REITs are publicly traded, usually on a major stock exchange. To qualify as a REIT under most jurisdictions globally, a company must distribute at least 90% of its taxable income to its shareholders annually.¹

Key index eligibility and qualification criteria

Common stock listed in an eligible country and on an eligible stock exchange (not LLP, LP, MLP, PTP, LLC or BDC)	Classified in an eligible ICB Industry or Subsector <i>*For a complete list of eligible ICB classifications, please refer to the FTSE EPRA Nareit Ground Rules</i>	Derive at least 75% of EBITDA from relevant real estate activities		
Detailed annual report in English	Minimum size	Minimum liquidity	Minimum free float (5%)	Minimum voting rights (5%)

See the FTSE EPRA Nareit Global Real Estate Index Series Ground Rules for additional details.

¹ EPRA Global REIT Survey: <https://www.epra.com/public-affairs/global-reit-survey>

Features

Comprehensive

Spans the entire commercial real estate sector of the global economy.

Includes listed real estate stocks and REITs from all relevant investment and property sectors.

Modular

Property sector, regional, and specialist indexes are used to target more narrowly focused exposure to commercial real estate.

Investable

The indexes are free-float market cap weighted to ensure that only the investable opportunity set is included.

Screened to ensure that the indexes are liquid and tradable.

Transparent

Transparent, rules-based construction process is freely available on lseg.com/ftse-russell.

FTSE International Limited is the benchmark administrator.

Widely tracked

\$296B total assets benchmarked to FTSE EPRA Nareit Global Real Estate Index Series & FTSE Nareit US Real Estate Index Series.²

² Data as of December 31, 2022 as reported on April 1, 2023 by eVestment for active institutional funds, Morningstar for active retail mutual funds, insurance products, and ETFs, and passive assets directly collected by FTSE Russell. AUM includes blended benchmarks and excludes futures and options. AUM data does not include active and passive assets not reported to a 3rd party source or FTSE Russell. For funds where the AUM was not reported as of December 31, 2022, the previous period AUM was used as an estimate. No assurances are given by FTSE Russell as to the accuracy of the data. by FTSE Russell as to the accuracy of the data.



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The indexes are built together with the European Public Real Estate Association (EPRA) and Nareit®.

EPRA is the European association for listed real estate, and Nareit is the US-based association for REITs and publicly-traded real estate companies. EPRA and Nareit are the real estate industry experts in their respective regions and focused on client education and outreach.

FTSE EPRA Nareit Property Sector Index Series

A company is included in one of the following Property Sectors if 75% or more of its gross invested book assets are invested in that particular sector.

A company is classified as belonging to Diversified when its gross invested book assets do not meet the 75% threshold for a single Property Sector.



FTSE EPRA Nareit REIT and Non-REIT Indexes

REIT indexes: Eligible constituents must be domiciled in a country with recognized REIT legislation and operate as a REIT in their country of domicile according to their latest published financial accounts or regulatory announcements as verified by FTSE, EPRA, and Nareit.

Non-REIT indexes: Include constituents ineligible for REIT indexes.

FTSE EPRA Nareit Investment Focus Index Series

Rental indexes: Eligible constituents' EBITDA or revenue from properties greater than or equal to 70% of the total EBITDA or revenue both years individually of a two year period.

Non-Rental indexes: Include constituents ineligible for Rental indexes.

Construction summary

- Constituents are free-float market cap weighted.
- Reviewed quarterly in March, June, September, and December, with changes implemented on the third Friday of the month.
- Liquidity screened semi-annually in March and September.
- Indexes are calculated in EUR, USD, GBP, JPY, AUD.
- Additional property sector, super liquid, dividend plus, and capped indexes are available.

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