
PRESS RELEASE

Global ETF real estate stocks assets linked to FTSE EPRA/NAREIT indices hit USD 7.1 billion in a year

Brussels, November 28 – The global assets in exchange traded funds (ETFs) linked to benchmark FTSE EPRA/NAREIT real estate stock indices have jumped by over 90% in the past year to USD 7.1 billion. Investors have been attracted into these tracker funds by high yields, quality diversified real estate exposure in a tradable form and the outperformance of listed real estate relative to general equities indices.

Fraser Hughes, research director at the European Public Real Estate Association (EPRA) said: “Investment flows into ETFs reflect general institutional and retail investor sentiment towards an asset class. The combination of real estate stocks’ attractive high yields in a low-yielding world and the chance to gain exposure to some of the best located and managed buildings in major world cities, seems to have driven the long-term outperformance of real estate relative to global equity and bond markets. On top of these factors, we’re also seeing a shift in ETF provider assets linked to FTSE EPRA/NAREIT indices, as seen by the recent switch by Lyxor, which reflects the high standards of management and transparency of our benchmarks. In addition, the vast majority of dedicated global investment managers who offer a tailored or active approach to listed real estate investment use the FTSE EPRA/NAREIT indices.

Global ETF real estate stock assets linked to FTSE EPRA/NAREIT indices were USD 7.1 billion at the end of October this year, compared with USD 3.7 billion in October 2011. ETFs tracing the index series are currently available via HSBC, Blackrock iShares, Deutsche Bank, Lyxor, First Trust and EasyETF.

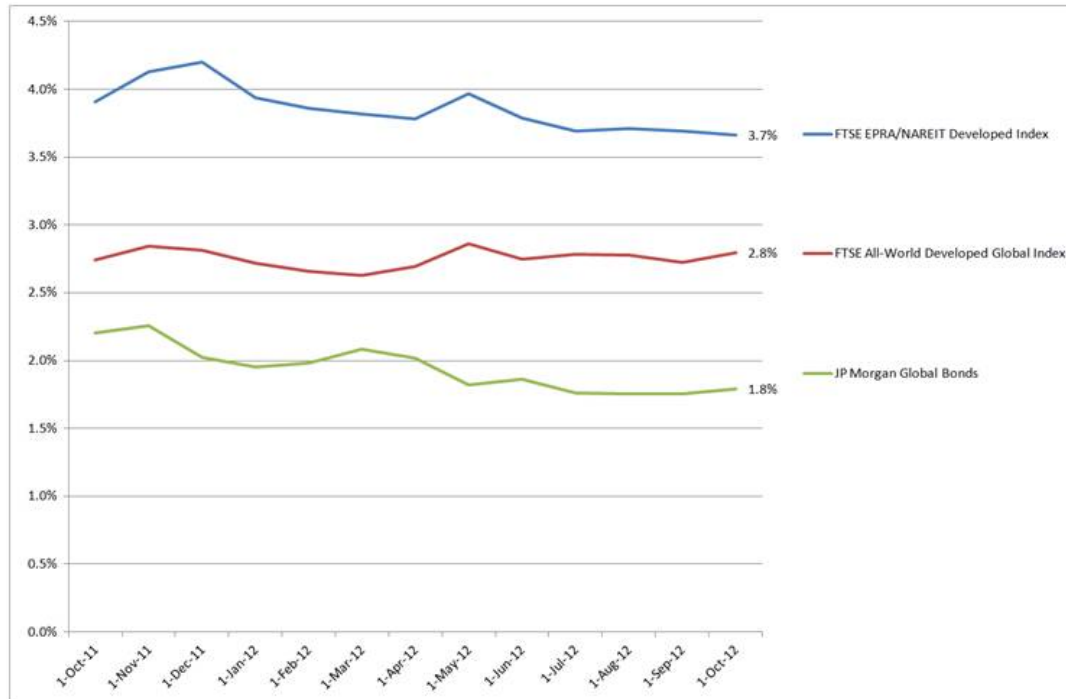
ETFs, which are passive investments linked to a specific market or index and can be bought and sold on stock exchanges like ordinary equities, have experienced organic growth in recent years as they allow investors to gain exposure to a wide range of investment assets by tracking underlying market indices at a relatively low cost.

Earlier this month Lyxor, the third largest ETF provider in Europe by assets under management, announced that it had chosen to replace the indices it uses as the basis for its Global Real Estate ETFs with the FTSE EPRA/NAREIT Developed Global Real Estate indices, which are the most widely used benchmarks in the listed property industry worldwide.

Since October 2011, the FTSE EPRA/NAREIT Global Total Return Index of developed market real estate stocks has rallied 26% in euro terms (17% in US dollars), while in comparison the FTSE All-World Developed Global Equities Total Return Index was up 18% in euros (10% in US dollars) over the past year.

Real estate stocks have similarly outperformed in terms of average dividend yield compared with both general equities and government bonds. The yield on global listed real estate in developed markets has averaged 3.9% since October 2011, compared with 2.8% for equities

and 1.9% for government bonds over the same period. European real estate companies in particular averaged approximately 5% yield.



Yield graphs for Global Listed Real Estate, Global General Equities and Global Bonds. Real Estate has consistently offered higher yields over this period as can be observed. One-year average real estate = 3.9%, General Equities = 2.8% and Bonds = 1.9%.

ENDS

About EPRA

The European Public Real Estate Association – is the voice of the publicly traded European real estate sector. With more than 200 active members, EPRA represents over EUR 250 billion of real estate assets and 90% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index. Through the provision of better information to investors, improvement of the general operating environment, encouragement of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.

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