

# **McCombs REIT Fund Performance Report & most recent Pairs Analyses**

June 10, 2021



**McCombs REIT Fund**



## INTRODUCTION

The McCombs REIT fund started in the fall of 2007 and made its initial investment of \$421,104 in February 2008. The fund has been continuously managed by MBA and undergraduate students of the McCombs School of Business since its inception, and has a current market value at June 10, 2021, of \$1,435,619, representing a gain since inception of \$1,014,515.

This memo provides information on the McCombs REIT fund (“the fund”), periodic and life-of-fund performance statistics, pair’s analyses and write-ups from the most recent semester by the fund’s current student investment managers and analysts, and a portfolio snapshot of current holdings against our benchmark.

## FUND OBJECTIVE

The REIT Fund’s objective is to outperform a REIT index while controlling risk through tracking error controls. For the first eight years of the fund the portfolio was benchmarked to the Dow Jones U.S. Select Equity REIT Index. In January 2016 the fund switched benchmarks to the Bloomberg North American REIT Index (BBREIT). The fund changed to the Bloomberg index for two reasons: (1) the Dow Jones index is costly, and the Bloomberg index is free to the fund with the fund’s Bloomberg account, and (2) the Bloomberg index is broader than the Dow Jones US REIT index and gives the students on the fund more variety and more access to specialty REITs than was available using the Dow Jones index.

## INVESTMENT

## METHODOLOGY

The REIT Fund is managed by performing relative valuation analysis on highly correlated REIT pairs focused on similar property types. Each pair of REITs is evaluated based on numerous valuation metrics and techniques including NAV, FFO and dividend growth, and capital structure considerations. The best REIT in the pair comparison is over-weighted in the portfolio relative to its index weight, and the “loser” in the pair-comparison is under-weighted relative to its index weight. During this past semester Fund students analyzed four REIT pairs and one triplet across a variety of major property sectors.



**RISK CONTROL**

The fund controls portfolio risk by measuring and managing portfolio tracking error. Our target annual tracking error measured against the Index is 5%. The fund’s actual tracking error is calculated by comparing the fund’s daily returns to the daily returns of the index portfolio. The standard deviation of the difference between the fund’s daily returns and the daily returns of the index, multiplied by the square root of the number of trading days in a year (~250), is the fund’s annualized tracking error. The fund’s historical tracking error as of June 10, 2021, calculated over the life of the fund, is 4.27%, slightly below our target tracking error of 5%.

We estimate *expected* tracking error by back-casting our proposed portfolio against the index, as if we had owned the proposed portfolio over the prior two years. We use basic portfolio tools in Bloomberg to perform the tracking error calculations against the BBREIT index. Estimated tracking error for the current proposed portfolio using a 2-year back-cast estimation procedure is below our 5% target, at 3.55%.

The table below shows the output from the “Statistical Summary” in Bloomberg’s PORT function for the McCombs REIT portfolio. The “Tracking Error (Annualized)” value of 3.83% is the tracking error of the current portfolio when back-cast against the Bloomberg REIT index over the past 24 months.

Portfolio Statistics	3 Months		6 Months		Year To Date		2 Years	
	Port	Bench	Port	Bench	Port	Bench	Port	Bench
<b>2. Return</b>								
Total Return	16.57	17.68	27.18	26.97	24.41	24.04	22.17	
Maximum Return	1.97	2.14	2.01	2.21	1.97	2.21	7.71	
Minimum Return	-2.20	-2.48	-2.96	-3.34	-2.96	-3.34	-15.90	
Mean Return (Annualized)	136.19	149.42	99.09	98.63	101.44	100.02	21.99	
Mean Excess Return (Annualized)	-5.32		0.23		0.71		-3.01	
<b>3. Risk</b>								
Standard Deviation (Annualized)	12.85	14.02	13.98	15.10	13.76	14.91	28.77	
Downside Risk (Annualized)	9.19	10.04	10.57	11.39	10.43	11.27	22.07	
Skewness	-0.21	-0.25	-0.60	-0.59	-0.63	-0.64	-1.60	
VaR 95% (ex-post)	-1.04	-1.15	-1.39	-1.55	-1.39	-1.51		
Tracking Error (Annualized)	1.97		2.24		2.27		3.83	
<b>4. Risk/Return</b>								
Sharpe Ratio	6.61	6.58	4.55	4.19	4.72	4.30	0.51	
Jensen Alpha	0.95		5.51		6.35		-1.03	
Information Ratio	-1.94		0.07		0.22		-0.56	



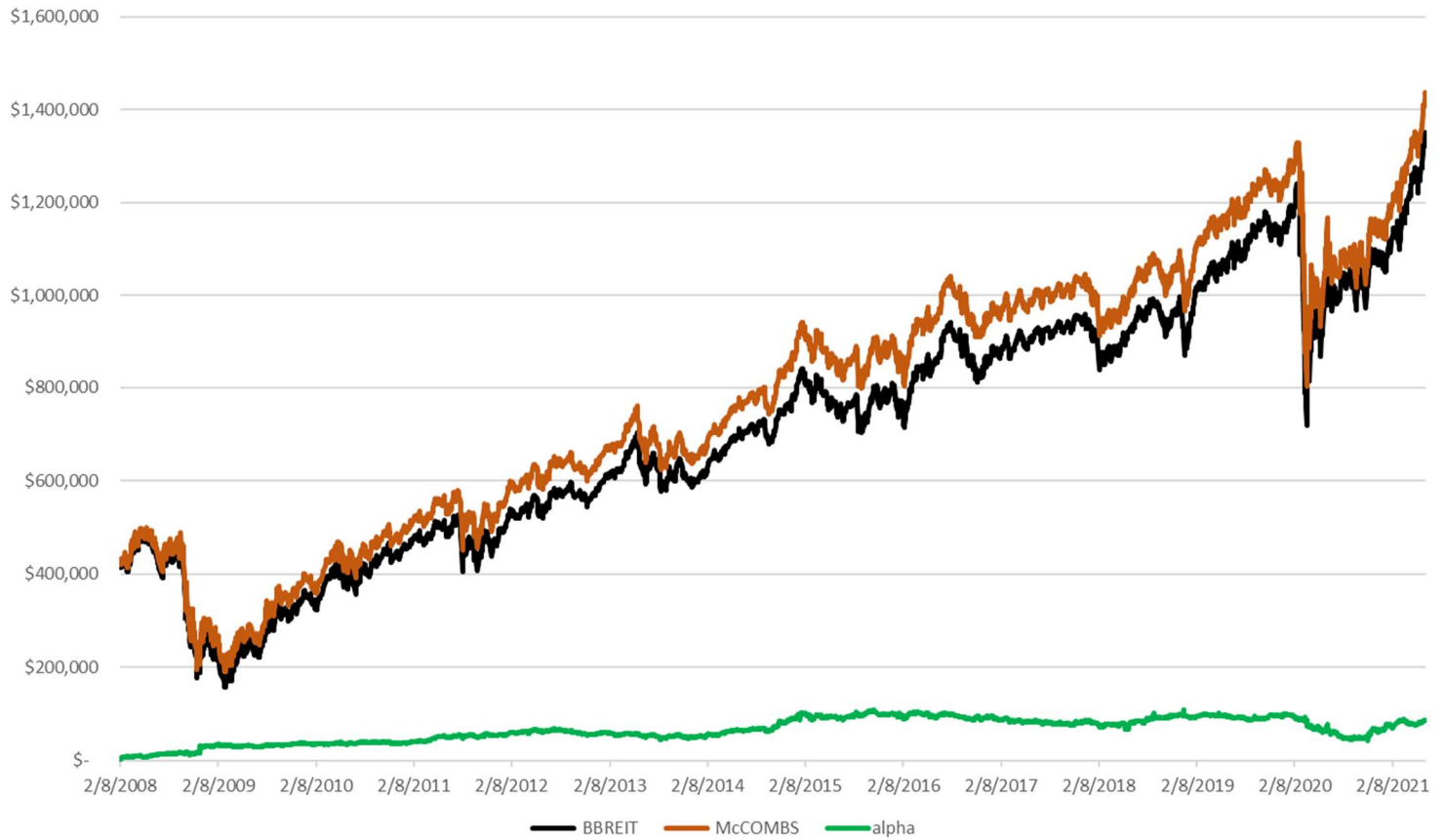
PORTFOLIO PERFORMANCE

**McCombs REIT fund v BBREIT, with alpha**

life of fund : 2/8/2008 - 6/9/2021 : ~13.3 years

McCombs REIT fund value = \$1,435,619

gain since inception = \$1,014,515





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# Office Sector: CUZ vs. BDN

## Overview: CUZ

- Market Cap: \$5.54 B
- Headquartered in Atlanta, Georgia
- Owns over 21.8MM SF of space
- Primarily owns Class A trophy assets
- Focused on acquiring, developing, and redeveloping assets
- Assets primarily located in Sunbelt markets

## Overview: BDN

- Market Cap: \$2.3 B
- Headquartered in Philadelphia, PA
- Currently owns over 24 Million SF of property
- Geographically focused in the Northeast and moving towards the Sunbelt
- Focuses primarily on Office but is moving into Mixed-Use as well as Life Sciences
- High Leverage currently at 45%
- Multiple Master Planned Developments in the pipeline will be the focus in the near future

## Executive Summary

*Cousins Properties ("Cousins," CUZ) and Brandywine Realty Trust ("Brandywine," BDN) are two office REITs; CUZ holds 62+ properties (~21.8MM SF) in 5 states, and BDN holds 172 properties (~24MM SF) in 8 states. Both Cousins and Brandywine focus on acquisition and redevelopment across diverse geographies and price-points. Cousins is positioned in the southern Sunbelt markets, while Brandywine is largely positioned in the Northeast with the exception of ¼ of its NOI coming from Austin. Cousins is actively looking to expand their portfolio, with 3x the amount of developments in the pipeline than what they currently have in progress. Overall, Cousins' debt low debt levels and healthy balance sheet will allow it to pursue many opportunities, while also attracting investors, There is increasing concern around Brandywine's portfolio because they have had relatively no NOI growth over the past 3 years and are clearly trying to switch their core strategy of office acquisition/development.*

**CUZ-BDN 5-year Correlation: 82.50%**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### Cousins Properties

- Strong Sunbelt markets with plenty of opportunity to take more of those markets
- Low debt levels with strong balance sheet
- Deals in trophy-level assets with very stable cash flows
- Ownership and Operation
- Development and Redevelopment
- Strong focus on one asset class: Office

### Brandywine Realty Trust

- Diversification across 4 Primary Markets: Philadelphia, Austin, Washington DC, and Richmond
- Ownership and operation
- Development
- Slight Shift from Office to Alternative assets i.e. Mixed-Use and Life Science
- Concern surrounding high levels of debt and imminent development over next 4 years
- Maintains strong position in non-gateway markets that are recovering better than gateway cities in the aftermath of COVID-19

## Conclusion & Rationale

*Our team believes CUZ will be able to grow their NOI faster than BDN in the upcoming years due to the current capital structure of the firm, geographic tailwinds, and focus on trophy-level assets. In comparison, BDN has 70% of its NOI coming from Philadelphia and the surrounding suburbs. The Philadelphia office market was greatly impacted by the pandemic and vacancy rates were as high as 17%. Another troubling sign is BDN is attempting to transition and develop mixed use and life sciences spaces in a time of high uncertainty while already having high debt levels. Given the diversification of CUZ, in stronger office using job markets, we believe the downside is limited while the upside has strong potential.*

**Therefore we recommend the following positions:**

- **Overweight:** Cousins (CUZ)
- **Underweight:** Brandywine (BDN)

# Office Sector: CUZ vs. BDN

## Highlights: CUZ

### FFO & Dividend

- Dividend expected to increase to \$1.23 by Y3
- Expected ~5% FFO and NOI growth over the next three years

### Liquidity

Cash	\$194 M
Facilities	\$768 M
Liquidity	\$962 M

### Debt Maturity

- Average debt maturity of 5.3 years
- 31.3% leverage

## Highlights: BDN

### FFO & Dividend

- Current FFO Payout Ratio of 66.44%
- Current \$0.68 Dividend per Share

### Liquidity

Cash	\$46 M
Facilities	\$600 M
Liquidity	\$646 M

### Debt Maturity

- No major debt obligations until 2023
- Debt/EV of ~45%

Key Metrics (as of 4/26/2021)	CUZ	BDN
Market Cap	\$5.54B	\$2.3B
Debt / EV (D/D+E)	31.3%	44.84%
Debt / EBITDA	4.8x	6.4x
Price / Share	\$36.61	\$13.42
NAV / Share	\$36.61	\$20.38
NAV Prem/Disc (NAV/Price)	-0.4%	-34.16%
Implied Cap Rate	6.3%	8.38%
NAV IRR	15.38%	24.95%
P/FFO x	14.2x	11x
Dividend Yield	3.44%	5.5%
DIV/FFO or DIV/AFFO	0.89%	0.96%
DDM IRR	19.04%	17.64%
Active Weight	1.00%	0.00%

# Office Sector: SLG vs. VNO

## Overview: SLG

- Market Cap: \$5.13 M
- Headquartered in New York, NY
- Geographically located in Manhattan, New York
- Average property rating is BBB
- Recent focus on dispositions during the pandemic
- Engage in strategic share repurchase programs with proceeds from asset sales
- 69 properties, 29.5 million Sq. Ft.

*SL Green Realty (SLG) and Vornado Realty Trust (VNO) are two office REITs; SLG has 69 properties in Manhattan, totaling 29.5 million sq feet, and VNO has 101 properties primarily in Manhattan, totaling 20 million sq feet. Both SLG and VNO focus on development, acquisition, and renovations across office properties in NYC. SLG is primarily positioned in Manhattan, while VNO is almost entirely positioned in Manhattan apart from holdings in D.C, Chicago, and San Francisco. SLG is focused on disposing of expensive office buildings and buying back their stock, providing them with a healthy amount of cash. VNO has a strong development pipeline, increased leasing activity, and premier tenants. There is concern around both SLG and VNO's debt maturing in the next few years, however, SLG has a wise investment strategy while their stock remains cheap.*

**SLG-VNO 5-year Correlation: 94.1%**

## **The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

- *Largest office landlord*
- *Focused on acquiring, managing, and maximizing value of Manhattan commercial properties*
- *Active developer and redeveloper*
- *Pure play on Manhattan Office*
- *Active in dispositions especially during the pandemic*
- *Invests in strategic share repurchase programs with proceeds from asset sales*
- *Class A office space and retail highly concentrated in Manhattan*
- *Strong development pipeline supplementing value of current holdings*
- *Redevelopment in Penn District includes agreements with MTA, will be integral to area's infrastructure*
- *Minimal disposition of assets since relinquishing DC portfolio in 2017*
- *Able to maintain above market occupancy rates amid record lows in Manhattan*
- *Significant debt maturing in 2021 and 2022*

## Overview: VNO

- Market Cap: \$8.81 B
- Headquartered in New York City, NY
- Holdings in 101 properties totaling around 30 million sq. ft.
- Focused on gateway cities such as New York, Chicago, and San Francisco
- Primarily Class A office space located in central business district
- Strong development pipeline currently focusing on Penn District in Manhattan

*Both SLG and VNO are heavily focused on Manhattan office with strong development pipelines and high leverage at close to 50%. SLG has more debt maturing in the next 3 years than VNO, and has strategically taken advantage of low interest rates during the pandemic by refinancing 2 buildings in 2020 as well as repurchasing outstanding shares. We are optimistic on Manhattan returning to pre-pandemic levels as we move away from the pandemic and we believe SLG will produce a higher NAV and DDM IRR. SLG has the higher potential upside.*

## **Therefore we recommend the following positions:**

- **Overweight:** SL Green (SLG).
- **Underweight:** Vornado (VNO).



# Office Sector: SLG vs. VNO

## Highlights: SLG

### FFO & Dividend

- Dividend yield 16.4%
- Expected 1% FFO and 0% NOI growth over the next two years

### Liquidity

Cash	\$266 M
Facilities	\$7.4 B
Liquidity	\$1.3 B

### Debt Maturity

- 18% of current debt maturing by end of 2023
- Debt/EV of 53%

## Highlights: VNO

### FFO & Dividend

- Dividend yield 2.4%
- Expected 1.5% FFO and -2% NOI growth over the next two years

### Liquidity

Cash	\$1.6 B
Facilities	\$10.9 B
Liquidity	\$2.38 B

### Debt Maturity

- 12% of Debt maturing by end of 2022
- Debt/EV of 53%

Key Metrics (as of 4/14/2021)	SLG	VNO
Market Cap (\$M)	4,953.7	8,690.6
Debt / EV (D/D+E) as of 12/31/2020	53%	53%
Debt / EBITDA	11.9X	8.2x
Price / Share	\$71.36	\$45.00
NAV / Share	\$96.93	\$50.60
NAV Prem/Disc (NAV/Price)	(26.38)%	(11.07)%
Implied Cap Rate	6.44%	5.18%
NAV IRR	30.29%	16.47%
P/FFO x	9.2x	14.7x
Dividend Yield	16.4%	2.4%
DIV/FFO or DIV/AFFO	57.16%	73.61%
DDM IRR	41.49%	1.28%
Active Weight	1.00	0.35

# Strip Center Sector: AKR vs ROIC

## Overview: AKR

- Market Cap: \$1.88B
- Headquartered in New York
- Approximately 126 properties with 6.8M sf GLA
- Highest ABR/sf in sector with focus on high-end street retail
- Heavily concentrated in gateway markets
- Core tenants are within the street retail/urban sector
- Significant use of private capital to fund acquisitions, through its separate Fund V portfolio
- Highly levered balance sheet with ~60% debt, with significant debt maturities in next 3 years

## Overview: ROIC

- Market Cap: \$2.1B
- Headquartered in California
- Interests in 88 shopping centers covering 10.1M sq ft.
- Geographically focused on the West Coast
- Largest Market is in Los Angeles, California
- Core Tenants are in the grocery sector
- Bond Rating: BBB
- Maintaining a strong balance sheet, looking to de-lever
- Significant amount of insider activity with over 220,000 shares bought over the last 3 months

## Executive Summary

*Acadia Realty Trust (AKR) and Retail Opportunity Investment Corp. (ROIC, member of S&P SmallCap 600 Index) are two retail REITs. ROIC is strategically focused on the West Coast, where the majority of its anchor tenants are in the grocery industry. ROIC has reinstated dividends in Q1 2020 to \$0.11/ share and will look to increase dividends in Q3 and Q4 of 2021 following the completion of two projects. ROIC will also look for \$40 million in acquisitions in 2021 following a successful vaccination rollout. AKR is focused on building a best-in-class, location-driven core real estate portfolio with meaningful concentrations of assets in the nation's most dynamic urban and street-retail corridors. AKR reinstated dividends in Q1 2020 to \$0.15/ share. AKR will look to focus its efforts to rebounding rents by increasing % occupancy and collection rates, rather than acquisitions in the near term, due to street retail being the laggard of the retail sector post-pandemic.*

**AKR-ROIC 5-year Correlation: 92.14%**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### Acadia Realty Trust (AKR)

- Highest ABR/sf in sector
- Plethora of moving parts between its core business and fund platform
- Focus on areas which are above the 75<sup>th</sup> percentile household income
- Sector low % occupancy, cash collection rates
- Sector high % debt to assets
- Over half of total debt maturing by Q4 2023
- Low percent of total portfolio contains resilient grocery anchored tenants
- Net negative insider sell activity
- Dividends reinstated in Q1 2021 following consecutive quarters without dividend

### Retail Opportunity Investments Corp. (ROIC)

- Focused on densely populated, metropolitan markets across the West Coast Region
- Anchor Spaces remain 100% leased during / following Pandemic
- Resilient Grocery Anchor Tenants
- Dividends reinstated in Q1 2021 following a suspension in Q1 2020
- Low debt amount maturing through 2021, 2022, and 2023
- Significant Insider Activity
- Concern surrounding high leverage

## Conclusion & Rationale

*Both AKR and ROIC are similar in market size but have different fund strategies. AKR is focused on the East Coast and skews street and urban retail while ROIC is focused on the West Coast and skews heavily on supermarkets. Both REITs are highly levered, with ROIC funding acquisitions through debt and AKR through private capital. Comparatively, ROIC has a higher IRR and lower NAV premium. With a high FFO and overexposure to urban retail, we believe that ROIC has higher potential upside in addition to the disparity in IRR and lower NAV premium.*

**Therefore we recommend the following positions:**

- Overweight:** Retail Opportunity Investments Corp. (ROIC)
- Underweight:** Acadia (AKR)

# Strip Retail Sector: AKR vs ROIC

## Highlights: AKR

### FFO & Dividend

- Paid dividend of \$0.15/share
- Expected ~8% FFO and NOI growth over the next two years

### Liquidity

Cash	\$19.2 M
Facilities	\$600 M
Liquidity	\$619.2 M

### Debt Maturity

- 3% due in 2021
- Debt/EV of 47.6%

## Highlights: ROIC

### FFO & Dividend

- Paid dividend of \$0.11/share
- Expected ~1% FFO and NOI growth over the next two years

### Liquidity

Cash	\$4.8 M
Facilities	\$600 M
Liquidity	\$604.8 M

### Debt Maturity

- No major debt obligations until 2022
- Debt/EV of 52.7%

Key Metrics (as of 04/23/2021)	AKR	ROIC
Market Cap	\$1.8B	\$2.1B
Debt / EV (D/D+E)	47.6%	52.7%
Debt / EBITDA	8.6x	7.8x
Price / Share	\$20.93	\$17.78
NAV / Share	\$16.19	\$16.63
NAV Prem/Disc (NAV/Price)	29.25%	5.71%
Implied Cap Rate	5.21%	5.71%
NAV IRR	9.69%	32.57%
P/FFO x	12.03x	18.08x
Dividend Yield	2.9%	2.7%
DIV/FFO or DIV/AFFO	74%	64.50%
DDM IRR	0.95%	14.03%
Active Weight	UW -0.13	OW 1.00

# Net Leases Sector: STOR vs. NNN

## Overview: STOR

- Market Cap: \$9.025 B
- Headquartered in Scottsdale, AZ
- 519 tenants in 49 states
  - \$9.6B in Gross Assets
- No more than 3.1% of STORE's rental income comes from any one tenant
- Tenants are a mix of Service (restaurants, health clubs, etc.), Retail (furniture, Car Dealerships, etc.), and Manufacturing.
- Growth strategy is primarily through acquisitions, not development

## Overview: NNN

- Market Cap: \$7.9 B
- Headquartered in Orlando, FL
- Interests in 3,100+ retail properties in over 48 states covering 37 lines of trade
  - \$8.6 Billion worth of Total Assets
- Top 25 tenants (57% of rent) average 1,089 stores each
- No more than 5% of NNN's retail income comes from any one tenant
- Well-selected retail tenants provide stronger performance through various economic cycles than other tenant types
- Maintaining a conservative balance sheet with low leverage

## Executive Summary

*STORE Capital ("STORE," STOR) and National Retail Properties ("National Retail," NNN) are two Net Lease REITs; STOR holds 2,600+ properties operating across 116 different industries, and NNN holds 3100+ properties across 37 lines of trade. Both STORE and National Retail focus heavily on acquisitions in diverse geographies and recession-proof businesses. STORE is levered at ~38% but plans to increase debt to fund acquisitions while apart from holdings in D.C. Both STORE and National Retail have a healthy occupancy rate (2021) at 99.7% and 98.5%, respectively. Both companies produce safe and growing dividends with STOR having 7 consecutive annual dividend increases while National Retail has had 31 consecutive increases. National Retail has a weighted average remaining lease term of 10.7 years, while STORE is boasting ~14 years. Still, NNN is poised to have an advantage through its acquisition of sector-leading tenants using cash from dispositions, as opposed to STOR's levered acquisitions.*

**STOR-NNN 5-year Correlation: 91.1%**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### STORE Capital (STOR)

- Diversified portfolio of single tenant leases around the country
- Focuses on the acquisition of middle market properties
- Contracts direct-origination of longer lease terms than industry averages
- Maintained low leverage through pandemic but plans to grow their debt holdings
- Rapid expansion through acquisition plans for next few years
- Only 4% of current leases are expiring over next 5 years

### National Retail Properties (NNN)

- Diversified portfolio of freestanding retail stores
- Focus on single-tenant net lease retail properties
- Fourth largest Net Lease REIT
- \$9 Billion portfolio of retail assets primarily located in the South, Midwest, and East coast regions in the U.S.
- High-quality portfolio that produces consistent results
- Maintains a strong balance sheet with low leverage

## Conclusion & Rationale

*Both STORE and NNN are well diverse across geography and have a healthy occupancy (99.7% and 98.5%). While STORE have a more aggressive acquisition pipeline with \$1.1Bn for 2021 targeting 7.7% cap rates, NNN has an acquisition target cap rate of 7.0% with a 2021 pipeline of \$400mm. They currently have similar leverage metrics, STORE growing acquisition strategy will be funded mainly with debt while NNN has a more conservative acquisition strategy focusing on acquiring with cash from disposition. While both are very similar, STORE has comparatively a more aggressive strategy and is reflected in their current FFO multiple (STORE 21.3x; NNN 16.8x). Therefore, STORE sells at a significantly higher NAV premium reflecting the expected growth. Given these two differences among these very similar REITs, we believe that NNN has a higher potential upside.*

**Therefore we recommend the following positions:**

- **Overweight:** National Retail Properties (NNN): + 100 bps
- **Underweight:** STORE (STOR): - 100 bps

# Apartment Sector: STOR vs. NNN

## Highlights: STOR

### FFO & Dividend

- Declared a 4Q 2020 dividend of \$0.36 / share
- Dividend expected to decrease to \$0.41 / share by Y3
- Expected ~3% FFO and NOI growth in future due to minimal lease expirations

### Liquidity

Cash	\$166 M
Facilities	\$290 M
Liquidity	\$456 M

### Debt Maturity

- ~\$3.8 billion of long-term debt with a weighted average maturity of 6.6 years and a weighted average interest rate of 4.2%
- Debt/EV of 31%

## Highlights: NNN

### FFO & Dividend

- Paid dividend of \$2.10/share with a 5.1% dividend yield and dividend payout ratio of 82.6% of AFFO
- Generated 3% average annual core FFO per share growth since 2015

### Liquidity

Cash	\$267 M
Facilities	\$900 M
Liquidity	\$1,167M

### Debt Maturity

- Over \$2.9B of secured and unsecured debt with a weighted average debt maturity is 102 years
- Debt/EV of 28%

Key Metrics (as of 4/19/2021)	STOR	NNN
<b>Market Cap</b>	<b>\$9.25B</b>	<b>\$7.90B</b>
<b>Debt / Asset</b>	<b>41.8%</b>	<b>42.3%</b>
<b>Price / Share</b>	<b>\$35.10</b>	<b>\$46.00</b>
<b>NAV / Share</b>	<b>\$18.65</b>	<b>\$37.40</b>
<b>NAV Prem/Disc (NAV/Price)</b>	<b>88.22%</b>	<b>23.00%</b>
<b>Implied Cap Rate</b>	<b>5.15%</b>	<b>5.97%</b>
<b>NAV IRR</b>	<b>(3.73%)</b>	<b>4.78%</b>
<b>P/FFO x</b>	<b>21.56x</b>	<b>16.79x</b>
<b>GGM IRR</b>	<b>0.67%</b>	<b>19.4%</b>
<b>Active Weight</b>	<b>bp v index wt</b>	

# Industrial Sector: EGP vs. REXR

## Overview: EGP

- Market Cap: \$5.9 B
- Headquartered in Jackson, MS
- Approximately 47 million square feet under management
- Geographically diverse around the Major Sunbelt Market
- Last Mile E-commerce Locations
- Emphasis in Local Economies Growing Faster than the U.S. Economy.
- Developments primarily located in Texas and Florida.

## Overview: REXR

- Market Cap: \$7.1 B
- Headquartered in Los Angeles, CA (SoCal)
- Geographically focused in the SoCal Infill market
- Holds 32M SF all located in SoCal
- SoCal is the 4<sup>th</sup> largest industrial market in the world behind USA, China, and Japan
- Only owns 1.7% of SoCal Industrial market
- Californian private owners prefer to sell to REXR as they will not dilute their SoCal position
- Low leverage balance sheet with no near term debt maturity

## Executive Summary

*EastGroup Properties Inc. ("Eastgroup," EGP) and Rexford Industrial Realty Inc. ("Rexford," REXR) are two industrial REITs; EGP holds 43.9M SF across 11 states (California, Arizona, Texas, Colorado, Louisiana, Mississippi, Georgia, Florida, and the Carolinas), and REXR holds 32M SF of land all located in Southern California. Eastgroup mostly occupies low to mid barrier to entry markets in the United States, while Rexford occupation of the SoCal market makes most of its properties located in high barrier to entry markets. Both REXR and EGP have been in the process of acquiring and developing at a fast pace to grow their portfolio. However, EGP's growth has required a 53.3% D/A ratio while REXR has been doing so under a 28.7% D/A. While Rexford only acquires assets in SoCal, they only own 1.7% of the current market share of 4<sup>th</sup> largest industrial market in the world. Eastgroup has focused on the Sunbelt regions where there has been large population growth recently.*

**EGP-REXR 5-year Correlation: 84.30%**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### Eastgroup Properties (EGP)

- *Diversified Tenant Base – Top 10 Customers Represent Only 8.2% of Annualized Base Rent*
- *Demonstrated Track Record*
- *Clustering of Properties Around Transportation Features in High Growth Areas*
- *Compete on Location Not Rent*
- *Multi-Tenant Urban Distribution Property Focus*
- *High concentration in Texas and Florida*
- *Recent success with value-add plans*

### Rexford Industrial (REXR)

- *They successfully operate in a market with very high barriers-to-entry which gives them a competitive edge*
- *Industrial rent growth in SoCal is projected to increase at double the national rate and REXR owns only 1.7% of the market – tremendous growth opportunity*
- *Diversified tenant base with their top ten tenants representing only 11.5% of overall Adj Base Rent*
- *High liquidity, low debt ratios and no near term debt maturities until 2023*
- *Only focused in SoCal which could be a weakness if the market slumps*

## Conclusion & Rationale

*EGP and REXR are on opposite ends of the diversification spectrum. While EGP has geographically diversified its investments across the U.S. sunbelt, REXR has concentrated its properties in Southern California, more specifically Los Angeles. Explosive population growth near EGP's strategically located properties has benefited EGP's portfolio. However, these areas also have low barriers to entry making rent growth difficult. Additionally, EGP's relatively high exposure to the waning Houston market has stymied some growth. REXR's expertise in the high barrier-to-entry SoCal market is their catalyst for growth. The market is supporting upward trends in rental rates and REXR is positioned well to acquire more market share as properties become available.*

**Therefore, we recommend the following positions:**

- **Overweight:** Rexford Industrial (REXR)
- **Underweight:** Eastgroup Properties (EGP)



# Industrial Sector: EGP vs. REXR

## Highlights: EGP

### FFO & Dividend

- Declared 164<sup>th</sup> Consecutive Quarterly Cash Dividend - \$0.79 per Share
- 8 percent FFO per Share Increase over last year

### Liquidity

Cash	\$21K
Facilities	\$395 M
Liquidity	\$270 M

### Debt Maturity

- Only 6 percent of debt coming due by 2023.
- Debt/EV of 50.0%

## Highlights: REXR

### FFO & Dividend

- 6.3% FFO/Share growth over last 4Q
- Expected special dividend of \$0.96/yr(1.73%)

### Liquidity

Cash	\$123 M
Assets	\$ 5,070M
Liquidity	\$675 M

### Debt Maturity

- No major debt obligations until 2023
- Debt/EV of 28.04%

Key Metrics (as of 4/7/2021)	EGP	REXR
Market Cap	\$5.9B	\$7.1B
Debt / EV (D/D+E)	50.0%	28.04%
Debt / EBITDA	5.8X	9.9X
Price / Share	\$147.80	\$51.36
NAV / Share	\$113.38	\$27.70
NAV Prem/Disc (NAV/Price)	30.36%	8.95%
Implied Cap Rate	4.01%	3.72%
NAV IRR	3.11%	8.22%
P/FFO x	23.50	37.13
Dividend Yield	1.99%	1.73%
DIV/FFO or DIV/AFFO	55.63%	57.81%
DDM IRR	0.13%	9.01%
Active Weight	20bps	80bps

# Data Centers Sector: CONE vs QTS

## Overview: CONE

- Market Cap: \$8.82 B
- Headquartered in Dallas, TX
- More than 50 data centers in key North American, European, South American, and Asian markets
- Record year in 2020, signed leases totaling 101 MW and 616,000 CSF
- Expansion into Paris, with a 25-year lease on a 13-acre site and development of the first phase of a fully pre-leased data center
- Strong balance sheet with more than \$1.7 billion in available liquidity

## Overview: QTS

- Market Cap: \$4.23 B
- Headquartered in Overland Park, KS
- Interests in 28 data centers across the US including concentration in Atlanta and secondary markets and the Netherlands
- Services include industry-first digitized API-driven Service Delivery Platform (SDP)
- Aggressive development pipeline
- Strong capital structure and \$1.2 B of available liquidity

## Executive Summary

*CyrusOne (CONE) and QTS Realty Trust (QTS) are two data center REITs; CONE holds 50 data centers in North America, Europe, and South America and QTS holds 28 data centers in the United States and Northern Netherlands. CONE specializes in highly reliable enterprise-class, carrier-neutral data center properties. Both QTS and CONE have a heavy emphasis on a strong development pipeline in secondary data center markets. However, the point of emphasis is the strong capital structure and liquidity that each REIT possesses. This in combination with no significant debt maturities till at least 2023 make for great growth opportunities that will allow for major expansion for years to come.*

**CONE/QTS 5-year Correlation: 63.9%**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### CyrusOne (Cone)

- *Secondary Markets – CyrusOne is betting on markets other than Northern Virginia, assuming that colocation customers will want local options rather than fighting rising costs in N. VA, despite continuing concentration*
- *High Development – CyrusOne has an aggressive development pipeline and expects high yields from development activities*
- *Microsoft – CONE’s largest tenant (20% of total revenue) has purchased 66 acres in N. VA for a new data center operation.*

### QTS Realty (QTS)

- *Aggressive Development – large development pipeline relative to asset base*
- *“Rise of the Rest” – developing and specializing in secondary markets (Atlanta, Dallas, etc.)*
- *Unique Service Offering – SDP platform offers a growing, high-margin SaaS-like revenue stream*
  - *Grown to 9% of revenue (seen utilization double YoY)*
- *Overexposure to Atlanta could lead to an underexposure to primary markets if “Rise of the Rest” bet is not successful*

## Conclusion & Rationale

*CONE and QTS share a great deal of similarities as forces in the dense data center REIT sector. From strong development pipelines to the exploration of secondary markets outside of Northern Virginia both have decided to take different routes in a similar manner compared to fellow competitors in the industry. We ultimately came to our conclusion because of two factors. First is CONE’s overreliance on Microsoft as a tenant and their recent threat of relocation. AWS, Microsoft, and Facebook could start developing their own data centers in the near future, which could put extreme downward pressure on lease pricing. Next is QTS’s push for technological evolution within the space through their SaaS dashboard offering to their tenants. With these factors in mind, we decided to overweight QTS and underweight CyrusOne.*

**Therefore, we recommend the following positions:**

- **Overweight:** QTS Realty Trust (QTS)
- **Underweight:** CyrusOne (CONE)



# Data Centers Sector: CONE vs QTS

## Highlights: CONE

### FFO & Dividend

- Dividend expected to increase by 6.3% each year
- Expected ~10% FFO and NOI growth over the next two years

### Liquidity

Cash \$1.17B  
 Forward Equity \$460 M  
 Liquidity \$1.63 B

### Debt Maturity

- No debt due for the next three years till 2024
- Debt/EV of 31%

## Highlights: QTS

### FFO & Dividend

- Dividend expected to grow by 6.7% each year
- Expected ~20% FFO and NOI growth over the next two years

### Liquidity

Cash \$607 M  
 Forward Equity \$493 M  
 Liquidity \$1.1 B

### Debt Maturity

- No significant debt maturities until 2023 and beyond
- ~2/3 of debt is subject to a fixed rate, including interest rate swap agreements
- Debt/EV of 31%

Key Metrics (as of 5/12/2021)	CONE	QTS
Market Cap	\$8.3B	\$4.05B
Debt / EV (D/D+E)	31%	31%
Debt / EBITDA	5.6X	6.61x
Price / Share	\$3.90	\$6.80
NAV / Share	\$73.59	\$88.09
NAV Prem/Disc (NAV/Price)	(5.5%)	(28.2%)
Implied Cap Rate	6.07%	7.74%
NAV IRR	14.24%	25.57%
P/FFO x	18.6x	21.88x
Dividend Yield	2.95%	3.04%
DIV/FFO or DIV/AFFO	51%	64%
DDM IRR	12.46%	16.94%
Active Weight	-33 bps	+100bps

# Lodging Sector: HST vs. APLE vs. PK

## Overview: HST

- Market Cap: \$12,830 B
- Headquartered in Bethesda, MD
- Approximately 81 Hotels with 46,800 rooms
- Geographically located in the US, but densely concentrated in major US markets
- Composed of a consolidated portfolio unencumbered by mortgage debt
- Portfolio consists of mainly luxury and upper upper upscale hotels
- \$2.5 billion cash on hand with the ability to acquire up to \$2 billion in assets

## Overview: APLE

- Market Cap: \$3.5 B
- Headquartered in Richmond, VA
- Portfolio of 235 hotels, over 30,000 rooms
- Focused on select service hotels with low operating costs and high demand generators
- Not completely focused on gateway cities, market diversification
- Hotel class split 2/3 Upscale and 1/3 Upper Midscale
- Low amounts of cash on hand with only 6 MM

## Overview: PK

- Market Cap: \$5.4B
- Headquartered in Tysons, Virginia
- Portfolio of 59 premium branded hotels/resorts with over 33,000 rooms
- Over 80% of the portfolio is in the luxury or upper upscale segment
- 100% of the portfolio is located in the US with locations in 14 of the top 15 markets
- Developing across the Sunbelt region
- Maintaining a strong balance sheet with low leverage

## Executive Summary

*Host Hotels & Resorts, Inc. ("Host," HST, included in the S&P 500), Apple Hospitality REIT, Inc. ("Apple," APLE), and Park Hotels & Resorts Inc. ("Park", PK) are three lodging REITs; HST is the largest lodging REIT with 80 properties (46,300 rooms). The firm is geographically diverse with a strong presence in the Sunbelt, select Gateway, and leisure markets where their focus is on luxury products. Apple is of the largest portfolios of upscale rooms in the US, Apple's portfolio consists of 233 hotels located in 88 markets throughout 35 states. Concentrated with industry-leading brands, the company's portfolio consists of 104 Marriott-branded hotels, 124 Hilton-branded hotels, three Hyatt-branded hotels and two independent hotels. Park is comprised of a geographically diverse portfolio of hotels and resorts with underlying real estate value. Parks portfolio is in the luxury and upper upscale segment and have properties located in 14 of the top 25 markets. The lodging sector was hit hard during the pandemic adding strain to these firms as occupancy rates sharply declined as the country shut down. However, it presented a unique growth opportunity through acquisitions. All three firms have growth strategies to capitalize on these opportunities. Of the three REITs, Host is poised, best positioned, and has a clear advantage to acquire to due its cash on hand and ability to remain flexible as the only investment-grade lodging REIT*

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### Host Hotels & Resorts (HST)

- Strong flag and portfolio of luxury hotels poised to bounce bag aggressively due to the pent-up demand of domestic travel*
- With vaccine rollouts ahead of schedule domestic travel will soon follow*
- Investment grade balance sheet*
- Already acquired 2 new hotels with combined purchases prices over \$600 million in 2021 Q1*
- Historically sound REIT*
- Largest lodging REIT, nearly 2x its next closest competitor*
- Restructured debt so earliest maturity is in late 2023*

### Apple Hospitality REIT (APLE)

- First lodging REIT to return a positive cash flow in 2020*
- Efficient operating model due to 99% of hotels being select-service*
- Do not isolate themselves to gateway cities, over 55% of portfolio in suburban areas*
- Concern surrounding the possibility of a decrease in business travel, a primary demand generator for select-service hotels*
- Concern around the low amount of cash on hand*

### Park Hotels & Resorts (PK)

- 45% of portfolio is located in drive-to destinations which have been performing well in 2020*
- Senior management team has extensive experience managing capital structures over multiple lodging cycles and has long-standing relationships with institutions/financial advisors to address their capital needs*
- Flexible balance sheet that focuses on maintaining sufficient liquidity by cutting down monthly burn rate and reducing capital expenditures*
- 60% of the company's portfolio value comes from 10 hotels across five markets*
- Hawaii accounts for over 30% of the portfolio's value which has been hit hard due to the pandemic and travel restriction*
- Impending debt maturities and have already drawn \$1B from their revolving credit facility*

# Lodging Sector: HST vs. APLE vs. PK

## Conclusion & Rationale

*HST, APLE and PK are diverse across geography but vary in their respective dispositions funded investment strategy. HST's financial valuation metrics provides the greatest optimism due to the REIT being the lone investment grade lodging REIT providing significant flexibility to continue growing cash. With \$2.5B in cash and minimal debt due for maturation, the company is well positioned for the "leisure revenge market" as it plans to be aggressive with acquisitions. In addition to this, HST is the largest firm and is selling at a 2x discount to our next best opportunity, APLE. Moreover, we believe our NAV evaluation is favorable to the other firms. All three REIT's plan to increase their investments in a time where opportunities are in abundance due to the current economic conditions. Given HST's significant flexibility to continue growing cash in a time where the industry is ripe for acquisition and its overall favorable valuation metrics, we believe HST is the most attractive firm.*

**Therefore, we recommend the following positions:**

- **Overweight:** Host Hotels and Resorts (HST)
- **Underweight:** Apple Hospitality REIT (APLE)
- **Underweight:** Park Hotels and Resorts (PK)

### Highlights: HST

#### FFO & Dividend

- Dividend expected to increase to \$.42 by Y3
- Expected ~1,0025% FFO and NOI growth over the next two years

#### Liquidity

Cash	\$2.5 B
Facilities	~ \$2.4 B
Liquidity	~ \$2.4 B

#### Debt Maturity

- Earliest debt maturity is in late 2023
- Debt/EV of 45.42%

### Highlights: APLE

#### FFO & Dividend

- Dividend expected to increase to \$1.71 by Y3
- Expected ~4% FFO and NOI growth over the next two years

#### Liquidity

Cash	\$2.5 B
Facilities	\$460 M
Liquidity	\$511 M

#### Debt Maturity

- Earliest debt maturity is in late 2023
- Debt/EV of 34%

### Highlights: PK

#### FFO & Dividend

- Dividend expected to increase to \$1.71 by Y3
- Expected ~4% FFO and NOI growth over the next two years

#### Liquidity

Cash	\$2.5 B
Facilities	\$460 M
Liquidity	\$511 M

#### Debt Maturity

- Earliest debt maturity is in late 2023
- Debt/EV of 34%

## Lodging Sector: HST vs. APLE vs. PK

Key Metrics (as of 5/3/2021)	HST	APLE	PK
<b>Market Cap</b>	<b>\$12,830</b>	<b>\$3,500</b>	<b>\$5,707</b>
<b>Debt / Asset</b>	<b>45.61%</b>	<b>33.31%</b>	<b>48.55%</b>
<b>Price / Share</b>	<b>\$18.35</b>	<b>\$15.85</b>	<b>\$22.79</b>
<b>NAV / Share</b>	<b>\$28.48</b>	<b>\$22.17</b>	<b>\$34.49</b>
<b>NAV Prem/Disc (NAV/Price)</b>	<b>(34.51)%</b>	<b>(17.58)%</b>	<b>(2.33)%</b>
<b>Implied Cap Rate</b>	<b>10.42%</b>	<b>8.44%</b>	<b>7.50%</b>
<b>NAV IRR</b>	<b>21.08%</b>	<b>17.19%</b>	<b>19.20%</b>
<b>P/FFO x</b>	<b>13.6x</b>	<b>13.4x</b>	<b>12.1x</b>
<b>Dividend Yield</b>	<b>1.9%</b>	<b>1.6%</b>	<b>2.3%</b>
<b>NAV IRR</b>	<b>21.08%</b>	<b>17.19%</b>	<b>19.20%</b>
<b>GGM IRR</b>	<b>7.76%</b>	<b>7.70%</b>	<b>(1.18%)</b>
<b>Active Weight</b>	<b>bp v index wt</b>		

# Healthcare Sector: HR vs. HTA

## Overview: HTA

- Market Cap: \$6.3B
- Headquartered in Scottsdale, AZ
- 469 properties spanning 32 states, totaling over 25M sq ft
- Geographically diverse; largest concentration in Texas
- 67% on-campus properties
- Redevelopments in 2020: properties in California and Texas

## Overview: HR

- Market Cap: \$4.3B
- Headquartered in Nashville, TN
- 227 properties spanning 24 states, totaling 16.4 million sq ft
- Geographically diverse; focused on high growth markets in terms of employment, population, and migration
- 88% on-campus properties
- Recently doubled average acquisitions and aiming to match that in 2021

## Executive Summary

*Healthcare Trust of America Inc. (HTA) and Healthcare Realty Trust Inc. (HR) are two healthcare REITs; HTA holds 469 properties (25 million square feet) in 32 states, and HR holds 227 properties (16 million square feet) in 24 states. Both HTA and HR focus on medical office buildings in the top 100 MSAs, and both are geographically dispersed across the United States. While HR has focused exclusively on on-campus medical office buildings, HTA has diversified its portfolio with more off-campus multitenant outpatient buildings. HTA has also placed a greater emphasis on developing and obtaining properties at a competitive price, whereas HR has been more aggressive in acquiring synergistically located properties. Both REITs plan to continue making substantial acquisitions into 2021-2022.*

**HTA-HR 5-year Correlation: 88.40%**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

### Healthcare Trust of America (HTA)

- *Diversification across geography; more exposure to NE and Chicago*
- *Healthy mix of on-campus vs. off-campus property types*
- *Higher occupancy*
- *Lower tenant concentrations*
- *Consistent per share dividend/FFO growth*
- *Desirability of on-campus vs. off-campus is to be determined, but has exposure to both types*
- *Management focused on accretive opportunities that fit well within the firm*

### Healthcare Realty Trust (HR)

- *Diversification across geography; more exposure to West Coast*
- *Robust acquisition pipeline*
- *Focus on non-marketed opportunities based on in-market relationships*
- *Higher proportion of multi-tenant properties*
- *More on-campus properties*
- *Ability to source accretive executions not proven*
- *Cash NOI growth not translating to FFO/share*
- *No historical dividend growth*

## Conclusion & Rationale

*Though both REITs are similar, HTA is cheaper by all measures assuming comparable cap rates for high quality on and off-campus properties. While HR has a robust acquisition pipeline, HTA's focus on accretive opportunities that fit well within the company has allowed for higher occupancy, consistent dividend and FFO growth, and lower tenant concentrations. It appears the market price reflects higher growth expectations for HR due to management's acquisition strategy, but our projections do not show sufficient growth relative to HTA to compensate investors for the current price. Further, HTA has delivered meaningful historical growth executing a proven strategy while HR has delivered lackluster growth historically.*

**Therefore we recommend the following positions:**

- **Overweight:** Healthcare Trust of America (HTA)
- **Underweight:** Healthcare Realty (HR)

# Healthcare Sector: HR vs. HTA

## Highlights: HTA

### FFO & Dividend

- Dividend expected to increase to \$1.36 by Y3
- Expected 2.9% FFO/share CAGR and 4.9% annualized NOI growth over next three years

### Liquidity

- Cash: \$30M
- Facilities: \$1B
- Liquidity: \$1.3B

### Debt Maturity

- No sizable debt maturities in next 5 years

## Highlights: HR

### FFO & Dividend

- 2020 saw first dividend increase in over 10 years
- Expected 4.6% FFO/share CAGR and 8.2% annualized NOI growth over next three years

### Liquidity

- Cash: \$12M
- Facilities: \$730M
- Liquidity: \$742M

### Debt Maturity

- No sizable debt maturities in next 5 years

Key Metrics (as of 4/4/2017)	HR	HTA
Market Cap	\$4.3B	\$6.3B
Debt / EV (D/D+E)	29.4%	30.3%
Debt / EBITDA	5.5X	5.3X
Price / Share	31.47\$	\$27.82
NAV / Share	28.98\$	\$28.99
NAV Prem/Disc (NAV/Price)	6.20%	-3.72%
Implied Cap Rate	5.36%	5.74%
NAV IRR	10.81%	12.73%
P/FFO x	18.28x	16.12x
Dividend Yield	3.84%	4.65%
DIV/FFO	76.49%	73.84%
DDM IRR	16.90%	19.44%
Active Weight	-50 bps	+50 bps

# Single Family Rental Sector: AMH vs. INVH

## Overview: AMH

- Market Cap: \$11.816 B
- Headquartered in Calabasas, CA
- Approximately 53K homes with 200K+ residents
- Geographically diverse, but mainly located within the sunbelt
- Investment grade credit rating, BBB-
- Recent focus on in house development with 10k+ plots of land ready for development
- Majority of properties are located in more suburban areas of cities

## Overview: INVH

- Market Cap: \$19.44 B
- Headquartered in Dallas, TX
- Approximately 80K homes in 16 markets
- Focused on finding leased homes in close proximity to good schools and demanded jobs
- Geographically focused in California, Florida, and Atlanta
- Controls approximately 63.4% of the US sector
- Strong demand drivers, high barriers to entry, high rent growth
- Highly levered

*Invitation Homes Inc. (NYSE: INVH) and American Homes 4 Rent (NYSE: AMH) are two single-family rental (SFR) REITs. INVH owns roughly 80,000 single family homes in 16 markets and AMH owns roughly 53,000 homes in 22 states. While INVH strictly does acquisitions and value-add in suburban areas with high job demand, AMH is focused on both acquisition and development also across suburban geographies with affordable price-points. AMH is fairly evenly positioned throughout the sunbelt while INVH, despite being present in 16 total markets, is quite heavily concentrated in California and the southeast. While primarily focused on growth, both INVH and AMH dispose of homes that have experienced significant cap rate compression in order to improve liquidity for home buying/developing. Both REITs have seen significant growth in recent quarters as a result of the de-urbanization that has occurred as a result of the COVID-19 pandemic.*

**AIV-PPS 5-year Correlation: .817**

**The following is a breakdown of the strengths and weaknesses of each REIT based on our analysis:**

- Development pipeline of 10k sites
- Geographic diversity helps to mitigate risk of re-urbanization
- More durable tenant base (exposure to lease expensive rent vs. mortgage)
- NAV valuation at small premium
- Debt position gives flexibility
- Re-urbanization trend would hit suburbs first
- Less expensive suburban homes become more affordable first to future homebuyers
- Exposed to increasing construction costs and higher risks due to in-house development of homes
- Very small dividend due to growth strategy
- The premier name in SFR REITs and controls more of the SFR market than any other name
- Overall liquidity higher than that of AMH by approximately \$300 million
- Slightly wealthier tenant profile is better suited to weather a fragile economy and job market
- Does not develop and cannot take advantage of development yields
- Highly levered. Debt / equity and debt / EBITDA above industry averages
- Homes are highly concentrated in Florida, California, and Atlanta

*While both AMH and INVH own similar assets and target a similar market, INVH has comparatively high exposure to California, Florida, and the southeast while AMH's assets are more evenly distributed across the sunbelt. Additionally, AMH's focus on development over acquisitions better positions them to take advantage of cap rate compression, better insulates them from skyrocketing home prices, and streamline OpEx management. Financially, INVH is highly levered, with debt/equity and debt/EBITDA ratios quite higher than those of AMH. Finally, AMH is trading at a much smaller premium to NAV than INVH despite all of the aforementioned positive indicators.*

**Therefore we recommend the following positions:**

- **Overweight:** American Homes 4 Rent (AMH)
- **Underweight:** Invitation Homes (INVH)



# Single Family Rental Sector: AMH vs. INVH

## Highlights: AIV

### FFO & Dividend

- Dividend expected to increase to \$0.96 by Y3
- Low dividend performance due to ambitious development strategy
- Expected ~8% average annual NOI growth over next three years

### Liquidity

Cash	\$137 M
Facilities	\$800 M
Liquidity	\$937 M

### Debt Maturity

- Sizable amount of debt due in 2024 and then 2028
- Debt/EV of 21%

## Highlights: INVH

### FFO & Dividend

- Paid a \$0.62 dividend in FY 2020 on FFO/share of \$1.31
- Expected ~15% NOI growth over the next three years

### Liquidity

Cash	\$213 M
Revolver	\$1.0 B
Liquidity	\$1.213 B

### Debt Maturity

- No major debt obligations until 2024
- \$2.376B, or 29.4% of total due in 2025
- Debt/EV of 28.5%

Key Metrics (as of 5/12/2021)	AMH	INVH
Market Cap	\$11.816B	\$19.65B
Debt / EV (D/D+E)	21%	28.5%
Debt / EBITDA	4.6x	7.3x
Price / Share	\$37.19	\$34.25
NAV / Share	\$35.94	\$28.58
NAV Prem/Disc (NAV/Price)	3.48%	21.05%
Implied Cap Rate	4.86%	4.39%
NAV IRR	11.31%	8.97%
P/FFO	24.48 x	26.46 x
Trailing Dividend Yield	0.40%	1.87%
DIV/FFO	10%	47.3%
DDM IRR	(6.32%)	0.44%
Active Weight	75 bp v index wt	



Name	Ticker (P)	Pos (P)	Price (P)	Mkt Val (P)	% Wgt (P)	% Wgt (B)	% Wgt (D)
U1663332				\$1,439,841.33	100	100	0.000
ACADIA REALTY TRUST	AKR UN		\$ 22.52			0.132	(0.132)
AGREE REALTY CORP	ADC UN	125	\$ 71.56	\$ 8,945.00	0.621	0.309	0.312
ALEXANDER & BALDWIN INC	ALEX UN		\$ 19.83			0.098	(0.098)
ALEXANDER'S INC	ALX UN		\$281.89			0.098	(0.098)
ALEXANDRIA REAL ESTATE EQUIT	ARE UN	94	\$193.42	\$ 18,181.48	1.263	1.800	(0.538)
ALPINE INCOME PROPERTY TRUST	PINE UN		\$ 19.10			0.010	(0.010)
AMERICAN ASSETS TRUST INC	AAT UN		\$ 38.76			0.160	(0.160)
AMERICAN CAMPUS COMMUNITIES	ACC UN	108	\$ 48.76	\$ 5,266.08	0.366	0.457	(0.091)
AMERICAN FINANCE TRUST INC	AFIN UW		\$ 9.09			0.067	(0.067)
AMERICAN HOMES 4 RENT- A	AMH UN	586	\$ 39.27	\$ 23,012.22	1.598	0.844	0.754
AMERICAN TOWER CORP	AMT UN	396	\$268.35	\$ 106,266.60	7.380	8.120	(0.740)
AMERICOLD REALTY TRUST	COLD UN		\$ 39.22			0.672	(0.672)
APARTMENT INVT & MGMT CO -A	AIV UN	353	\$ 7.68	\$ 2,711.04	0.188	0.078	0.111
APPLE HOSPITALITY REIT INC	APLE UN		\$ 16.37			0.249	(0.249)
ARMADA HOFFLER PROPERTIES IN	AHH UN		\$ 13.74			0.055	(0.055)
ASHFORD HOSPITALITY TRUST	AHT UN		\$ 6.44			0.030	(0.030)
AVALONBAY COMMUNITIES INC	AVB UN	79	\$214.64	\$ 16,956.56	1.178	2.039	(0.862)
BLUEROCK RESIDENTIAL GROWTH	BRG UA	479	\$ 10.10	\$ 4,837.90	0.336	0.016	0.320
BOSTON PROPERTIES INC	BXP UN	341	\$123.17	\$ 42,000.97	2.917	1.306	1.611
BRAEMAR HOTELS & RESORTS INC	BHR UN		\$ 6.58			0.018	(0.018)
BRANDYWINE REALTY TRUST	BDN UN		\$ 14.96			0.174	(0.174)
BRIXMOR PROPERTY GROUP INC	BRX UN	630	\$ 24.18	\$ 15,233.40	1.058	0.489	0.569
BROOKFIELD PROPERTY REIT I-A	BPYU UW		\$ 18.50			0.049	(0.049)
BRT APARTMENTS CORP	BRT UN		\$ 17.53			0.021	(0.021)
CAMDEN PROPERTY TRUST	CPT UN	208	\$135.26	\$ 28,134.08	1.954	0.899	1.055
CARETRUST REIT INC	CTRE UW		\$ 23.75			0.155	(0.155)
CATCHMARK TIMBER TRUST INC-A	CTT UN		\$ 12.01			0.040	(0.040)
CBL & ASSOCIATES PROPERTIES	CBLAQ UV		\$ 0.13			0.002	(0.002)
CEDAR REALTY TRUST INC	CDR UN		\$ 15.39			0.014	(0.014)
CENTERSPACE	CSR UN		\$ 75.30			0.067	(0.067)
CHATHAM LODGING TRUST	CLDT UN		\$ 13.86			0.044	(0.044)
CIM COMMERCIAL TRUST CORP	CMCT UQ		\$ 9.06			0.018	(0.018)
CLIPPER REALTY INC	CLPR UN		\$ 7.93			0.010	(0.010)
COLONY CAPITAL INC	CLNY UN		\$ 7.94			0.261	(0.261)
COLUMBIA PROPERTY TRUST INC	CXP UN	331	\$ 18.84	\$ 6,236.04	0.433	0.147	0.286
COMMUNITY HEALTHCARE TRUST I	CHCT UN		\$ 50.42			0.082	(0.082)
CONDOR HOSPITALITY TRUST INC	CDOR UA		\$ 4.89			0.004	(0.004)
COREENERGY INFRASTRUCTURE TRU	CORR UN	96	\$ 7.21	\$ 692.16	0.048	0.007	0.041
COREPOINT LODGING INC	CPLG UN		\$ 10.20			0.040	(0.040)
CORESITE REALTY CORP	COR UN	115	\$133.24	\$ 15,322.60	1.064	0.388	0.676
CORPORATE OFFICE PROPERTIES	OFC UN		\$ 30.15			0.230	(0.230)
COUSINS PROPERTIES INC	CUZ UN	513	\$ 39.71	\$ 20,371.23	1.415	0.402	1.013
CROWN CASTLE INTL CORP	CCI UN	402	\$194.34	\$ 78,124.68	5.426	5.708	(0.282)
CTO REALTY GROWTH INC	CTO UN		\$ 55.30			0.022	(0.022)
CUBESMART	CUBE UN	393	\$ 46.39	\$ 18,231.27	1.266	0.617	0.649
CYRUSONE INC	CONE UW	61	\$ 79.92	\$ 4,875.12	0.339	0.656	(0.317)
DIAMONDROCK HOSPITALITY CO	DRH UN		\$ 10.39			0.149	(0.149)
DIGITAL REALTY TRUST INC	DLR UN	247	\$162.20	\$ 40,063.40	2.782	3.096	(0.313)
DIVERSIFIED HEALTHCARE TRUST	DHC UW		\$ 4.05			0.066	(0.066)
DOUGLAS EMMETT INC	DEI UN	342	\$ 36.26	\$ 12,400.92	0.861	0.433	0.428
DUKE REALTY CORP	DRE UN	182	\$ 49.30	\$ 8,972.60	0.623	1.255	(0.632)
EASTERLY GOVERNMENT PROPERTI	DEA UN		\$ 21.76			0.122	(0.122)
EASTGROUP PROPERTIES INC	EGP UN		\$168.64			0.455	(0.455)
EMPIRE STATE REALTY TRUST-A	ESRT UN	500	\$ 12.71	\$ 6,355.00	0.441	0.148	0.293
EPR PROPERTIES	EPR UN	126	\$ 53.73	\$ 6,769.98	0.470	0.274	0.197
EQUINIX INC	EQIX UW	78	\$816.04	\$ 63,651.12	4.421	4.961	(0.541)
EQUITY COMMONWEALTH	EQC UN	275	\$ 28.01	\$ 7,702.75	0.535	0.232	0.303
EQUITY LIFESTYLE PROPERTIES	ELS UN		\$ 75.94			0.943	(0.943)

Name	Ticker (P)	Pos (P)	Price (P)	Mkt Val (P)	% Wgt (P)	% Wgt (B)	% Wgt (D)
EQUITY RESIDENTIAL	EQR UN	451	\$ 80.75	\$ 36,418.25	2.529	2.049	0.480
ESSENTIAL PROPERTIES REALTY	EPRT UN		\$ 28.45			0.207	(0.207)
ESSEX PROPERTY TRUST INC	ESS UN	36	\$314.11	\$ 11,307.96	0.785	1.390	(0.605)
EXTRA SPACE STORAGE INC	EXR UN	201	\$159.45	\$ 32,049.45	2.226	1.426	0.800
FARMLAND PARTNERS INC	FPI UN		\$ 13.01			0.026	(0.026)
FEDERAL REALTY INVS TRUST	FRT UN		\$123.61			0.646	(0.646)
FIRST INDUSTRIAL REALTY TR	FR UN	546	\$ 53.62	\$ 29,276.52	2.033	0.471	1.562
FIRST REAL ESTATE INV TR NJ	FREVS UV		\$ 18.50			0.009	(0.009)
FOUR CORNERS PROPERTY TRUST	FCPT UN		\$ 28.62			0.148	(0.148)
FRANKLIN STREET PROPERTIES C	FSP UA	93	\$ 5.55	\$ 516.15	0.036	0.041	(0.005)
GAMING AND LEISURE PROPERTIE	GLPI UW		\$ 47.86			0.759	(0.759)
GEO GROUP INC/THE	GEO UN		\$ 7.40			0.061	(0.061)
GETTY REALTY CORP	GTY UN		\$ 33.43			0.100	(0.100)
GLADSTONE COMMERCIAL CORP	GOOD UW		\$ 22.76			0.055	(0.055)
GLADSTONE LAND CORP	LAND UQ		\$ 24.83			0.045	(0.045)
GLOBAL MEDICAL REIT INC	GMRE UN		\$ 15.57			0.051	(0.051)
GLOBAL NET LEASE INC	GNL UN		\$ 19.80			0.121	(0.121)
GLOBAL SELF STORAGE INC	SELF UR		\$ 6.69			0.004	(0.004)
HANNON ARMSTRONG SUSTAINABLE	HASI UN	130	\$ 53.82	\$ 6,996.60	0.486	0.286	0.200
HEALTHCARE REALTY TRUST INC	HR UN		\$ 32.15			0.306	(0.306)
HEALTHCARE TRUST OF AME-CL A	HTA UN	460	\$ 29.25	\$ 13,455.00	0.934	0.436	0.499
HEALTHPEAK PROPERTIES INC	PEAK UN	637	\$ 34.78	\$ 22,154.86	1.539	1.276	0.263
HERSHA HOSPITALITY TRUST	HT UN		\$ 12.01			0.032	(0.032)
HIGHLANDS REIT INC	HHDS UV		\$ 0.02			0.001	(0.001)
HIGHWOODS PROPERTIES INC	HIW UN		\$ 48.51			0.343	(0.343)
HOST HOTELS & RESORTS INC	HST UW	1498	\$ 17.91	\$ 26,829.18	1.863	0.860	1.003
HUDSON PACIFIC PROPERTIES IN	HPP UN		\$ 29.72			0.305	(0.305)
INCOME OPP REALTY INVESTORS	IOR UA		\$ 12.41			0.004	(0.004)
INDEPENDENCE REALTY TRUST IN	IRT UN		\$ 18.70			0.130	(0.130)
INDUSTRIAL LOGISTICS PROPERT	ILPT UW		\$ 26.34			0.117	(0.117)
INNOVATIVE INDUSTRIAL PROPER	IIPR UN		\$191.73			0.312	(0.312)
INVENTRUST PROPERTIES CORP	IARE UV		\$ 1.36			0.067	(0.067)
INVITATION HOMES INC	INVH UN	556	\$ 37.71	\$ 20,966.76	1.456	1.456	(0.000)
IRON MOUNTAIN INC	IRM UN		\$ 46.28			0.909	(0.909)
ISTAR INC	STAR UN		\$ 18.38			0.092	(0.092)
JBG SMITH PROPERTIES	JBGS UN	58	\$ 34.96	\$ 2,027.68	0.141	0.313	(0.172)
KILROY REALTY CORP	KRC UN	171	\$ 73.34	\$ 12,541.14	0.871	0.581	0.290
KIMCO REALTY CORP	KIM UN	1068	\$ 22.10	\$ 23,602.80	1.639	0.651	0.989
KITE REALTY GROUP TRUST	KRG UN		\$ 22.92			0.132	(0.132)
LAMAR ADVERTISING CO-A	LAMR UW		\$107.32			0.632	(0.632)
LEXINGTON REALTY TRUST	LXP UN		\$ 12.97			0.245	(0.245)
LIFE STORAGE INC	LSI UN	127	\$107.47	\$ 13,648.69	0.948	0.552	0.396
LTC PROPERTIES INC	LTC UN		\$ 39.25			0.105	(0.105)
LUMENT FINANCE TRUST INC	LFT UN		\$ 4.06			0.007	(0.007)
MACERICH CO/THE	MAC UN	210	\$ 17.69	\$ 3,714.90	0.258	0.186	0.072
MACK-CALI REALTY CORP	CLI UN	382	\$ 17.93	\$ 6,849.26	0.476	0.111	0.365
MEDICAL PROPERTIES TRUST INC	MPW UN	445	\$ 21.76	\$ 9,683.20	0.673	0.857	(0.184)
MGM GROWTH PROPERTIES LLC-A	MGP UN		\$ 37.00			0.331	(0.331)
MID-AMERICA APARTMENT COMM	MAA UN	200	\$171.55	\$ 34,310.00	2.383	1.336	1.047
MONMOUTH REAL ESTATE INV COR	MNR UN	393	\$ 19.39	\$ 7,620.27	0.529	0.130	0.399
NATIONAL RETAIL PROPERTIES	NNN UN	316	\$ 49.76	\$ 15,724.16	1.092	0.594	0.498
NATIONAL STORAGE AFFILIATES	NSA UN		\$ 49.26			0.239	(0.239)
NATL HEALTH INVESTORS INC	NHI UN		\$ 66.51			0.205	(0.205)
NETSTREIT CORP	NTST UN		\$ 23.91			0.046	(0.046)
NEW SENIOR INVESTMENT GROUP	SNR UN		\$ 7.24			0.041	(0.041)
NEXPOINT RESIDENTIAL	NXRT UN		\$ 56.74			0.097	(0.097)
OFFICE PROPERTIES INCOME TRU	OPI UW		\$ 30.92			0.102	(0.102)
OMEGA HEALTHCARE INVESTORS	OHI UN		\$ 37.74			0.596	(0.596)
ONE LIBERTY PROPERTIES INC	OLP UN		\$ 29.26			0.041	(0.041)

Name	Ticker (P)	Pos (P)	Price (P)	Mkt Val (P)	% Wgt (P)	% Wgt (B)	% Wgt (D)
OUTFRONT MEDIA INC	OUT UN		\$ 24.72			0.243	(0.243)
PARAMOUNT GROUP INC	PGRE UN		\$ 11.44			0.171	(0.171)
PARK HOTELS & RESORTS INC	PK UN		\$ 21.54			0.346	(0.346)
PEBBLEBROOK HOTEL TRUST	PEB UN	633	\$ 24.28	\$ 15,369.24	1.067	0.217	0.850
PENN REAL ESTATE INVEST TST	PEI UN	363	\$ 3.11	\$ 1,128.93	0.078	0.017	0.062
PHYSICIANS REALTY TRUST	DOC UN		\$ 19.47			0.278	(0.278)
PIEDMONT OFFICE REALTY TRU-A	PDM UN	398	\$ 20.28	\$ 8,071.44	0.561	0.171	0.389
PLYMOUTH INDUSTRIAL REIT INC	PLYM UN		\$ 20.00			0.034	(0.034)
POSTAL REALTY TRUST INC- A	PSTL UN		\$ 20.99			0.018	(0.018)
POTLATCHDELTIC CORP	PCH UW		\$ 54.53			0.248	(0.248)
POWER REIT	PW UA		\$ 42.83			0.010	(0.010)
PREFERRED APARTMENT COMMUN-A	APTS UN		\$ 11.10			0.038	(0.038)
PROLOGIS INC	PLD UN	834	\$124.71	\$ 104,008.14	7.224	6.272	0.952
PS BUSINESS PARKS INC/CA	PSB UN	45	\$159.60	\$ 7,182.00	0.499	0.299	0.200
PUBLIC STORAGE	PSA UN	160	\$295.81	\$ 47,329.60	3.287	3.523	(0.236)
QTS REALTY TRUST INC-CL A	QTS UN	247	\$ 78.05	\$ 19,278.35	1.339	0.342	0.997
RAYONIER INC	RYN UN		\$ 36.30			0.341	(0.341)
REALTY INCOME CORP	O UN	244	\$ 70.38	\$ 17,172.72	1.193	1.789	(0.597)
REGENCY CENTERS CORP	REG UW	156	\$ 68.20	\$ 10,639.20	0.739	0.789	(0.050)
RETAIL OPPORTUNITY INVESTMEN	ROIC UW	893	\$ 18.61	\$ 16,618.73	1.154	0.150	1.005
RETAIL PROPERTIES OF AME - A	RPAI UN		\$ 12.51			0.183	(0.183)
RETAIL VALUE INC	RVI UN	22	\$ 21.43	\$ 471.46	0.033	0.029	0.004
REXFORD INDUSTRIAL REALTY IN	REXR UN	374	\$ 59.26	\$ 22,163.24	1.539	0.530	1.009
RLJ LODGING TRUST	RLJ UN	1392	\$ 16.15	\$ 22,480.80	1.561	0.181	1.380
RPT REALTY	RPT UN	311	\$ 13.78	\$ 4,285.58	0.298	0.076	0.221
RYMAN HOSPITALITY PROPERTIES	RHP UN		\$ 80.89			0.303	(0.303)
SABRA HEALTH CARE REIT INC	SBRA UW	131	\$ 18.05	\$ 2,364.55	0.164	0.259	(0.095)
SAFEHOLD INC	SAFE UN		\$ 76.97			0.279	(0.279)
SAUL CENTERS INC	BFS UN		\$ 46.39			0.074	(0.074)
SBA COMMUNICATIONS CORP	SBAC UW		\$317.34			2.373	(2.373)
SERITAGE GROWTH PROP- A REIT	SRG UN		\$ 18.89			0.050	(0.050)
SERVICE PROPERTIES TRUST	SVC UW	81	\$ 13.97	\$ 1,131.57	0.079	0.157	(0.078)
SIMON PROPERTY GROUP INC	SPG UN	579	\$134.23	\$ 77,719.17	5.398	3.002	2.395
SITE CENTERS CORP	SITC UN	216	\$ 15.70	\$ 3,391.20	0.236	0.207	0.029
SL GREEN REALTY CORP	SLG UN	326	\$ 82.65	\$ 26,943.90	1.871	0.397	1.474
SOTHERLY HOTELS INC	SOHO UQ		\$ 4.04			0.004	(0.004)
SPIRIT REALTY CAPITAL INC	SRC UN		\$ 50.88			0.398	(0.398)
STAG INDUSTRIAL INC	STAG UN		\$ 38.66			0.417	(0.417)
STORE CAPITAL CORP	STOR UN		\$ 35.99			0.644	(0.644)
SUMMIT HOTEL PROPERTIES INC	INN UN	96	\$ 10.16	\$ 975.36	0.068	0.073	(0.005)
SUN COMMUNITIES INC	SUI UN	176	\$176.40	\$ 31,046.40	2.156	1.293	0.864
SUNSTONE HOTEL INVESTORS INC	SHO UN		\$ 13.19			0.194	(0.194)
TANGER FACTORY OUTLET CENTER	SKT UN	183	\$ 19.33	\$ 3,537.39	0.246	0.123	0.123
TERRENO REALTY CORP	TRNO UN		\$ 66.52			0.311	(0.311)
TREMONT MORTGAGE TRUST	TRMT UR		\$ 5.99			0.003	(0.003)
UDR INC	UDR UN	159	\$ 50.29	\$ 7,996.11	0.555	1.016	(0.461)
UMH PROPERTIES INC	UMH UN		\$ 22.46			0.064	(0.064)
UNITI GROUP INC	UNIT UW		\$ 10.93			0.173	(0.173)
UNIVERSAL HEALTH RLTY INCOME	UHT UN		\$ 70.89			0.066	(0.066)
URBAN EDGE PROPERTIES	UE UN	149	\$ 20.27	\$ 3,020.23	0.210	0.162	0.048
URSTADT BIDDLE - CLASS A	UBA UN		\$ 19.65			0.040	(0.040)
US DOLLAR	USD	42648.37647	\$ 1.00	\$ 42,648.38	2.962		2.962
VENTAS INC	VTR UN	182	\$ 58.09	\$ 10,572.38	0.734	1.482	(0.748)
VEREIT INC	VER UN		\$ 48.85			0.762	(0.762)
VICI PROPERTIES INC	VICI UN		\$ 32.80			1.199	(1.199)
VORNADO REALTY TRUST	VNO UN		\$ 50.01			0.652	(0.652)
WASHINGTON PRIME GROUP INC	WPG UN	37	\$ 4.84	\$ 179.08	0.012	0.007	0.006
WASHINGTON REIT	WRE UN	255	\$ 26.85	\$ 6,846.75	0.476	0.155	0.321
WEINGARTEN REALTY INVESTORS	WRI UN		\$ 33.81			0.293	(0.293)

Name	Ticker (P)	Pos (P)	Price (P)	Mkt Val (P)	% Wgt (P)	% Wgt (B)	% Wgt (D)
WELLTOWER INC	WELL UN	430	\$ 79.68	\$ 34,262.40	2.380	2.265	0.115
WEYERHAEUSER CO	WY UN		\$ 35.32			1.798	(1.798)
WHEELER REAL ESTATE INVESTME	WHLR UR		\$ 5.00			0.003	(0.003)
WHITESTONE REIT	WSR UN		\$ 8.67			0.025	(0.025)
WP CAREY INC	WPC UN		\$ 76.92			0.919	(0.919)
XENIA HOTELS & RESORTS INC	XHR UN		\$ 20.50			0.159	(0.159)

Name	Ticker (P)	Pos (P)	Price (P)	Mkt Val (P)	% Wgt (P)	% Wgt (B)	% Wgt (D)
U1663332				\$ 1,439,841.33	100	100	0
› Diversified REITs				\$ 20,383.75	1.416	4.058	(2.642)
ALEXANDER & BALDWIN INC	ALEX UN		\$ 19.83			0.098	(0.098)
ALPINE INCOME PROPERTY TRUST	PINE UN		\$ 19.10			0.010	(0.010)
AMERICAN ASSETS TRUST INC	AAT UN		\$ 38.76			0.160	(0.160)
ARMADA HOFFLER PROPERTIES IN	AHH UN		\$ 13.74			0.055	(0.055)
COLONY CAPITAL INC	CLNY UN		\$ 7.94			0.261	(0.261)
CTO REALTY GROWTH INC	CTO UN		\$ 55.30			0.022	(0.022)
EMPIRE STATE REALTY TRUST-A	ESRT UN	500	\$ 12.71	\$ 6,355.00	0.441	0.148	0.293
ESSENTIAL PROPERTIES REALTY	EPRT UN		\$ 28.45			0.207	(0.207)
FIRST REAL ESTATE INV TR NJ	FREVS UV		\$ 18.50			0.009	(0.009)
GLADSTONE COMMERCIAL CORP	GOOD UW		\$ 22.76			0.055	(0.055)
GLOBAL NET LEASE INC	GNL UN		\$ 19.80			0.121	(0.121)
HIGHLANDS REIT INC	HHDS UV		\$ 0.02			0.001	(0.001)
ISTAR INC	STAR UN		\$ 18.38			0.092	(0.092)
ONE LIBERTY PROPERTIES INC	OLP UN		\$ 29.26			0.041	(0.041)
PS BUSINESS PARKS INC/CA	PSB UN	45	\$ 159.60	\$ 7,182.00	0.499	0.299	0.200
STORE CAPITAL CORP	STOR UN		\$ 35.99			0.644	(0.644)
VEREIT INC	VER UN		\$ 48.85			0.762	(0.762)
WASHINGTON REIT	WRE UN	255	\$ 26.85	\$ 6,846.75	0.476	0.155	0.321
WP CAREY INC	WPC UN		\$ 76.92			0.919	(0.919)
› Health Care REITs				\$ 92,492.39	6.424	8.524	(2.100)
CARETRUST REIT INC	CTRE UW		\$ 23.75			0.155	(0.155)
COMMUNITY HEALTHCARE TRUST I	CHCT UN		\$ 50.42			0.082	(0.082)
DIVERSIFIED HEALTHCARE TRUST	DHC UW		\$ 4.05			0.066	(0.066)
GLOBAL MEDICAL REIT INC	GMRE UN		\$ 15.57			0.051	(0.051)
HEALTHCARE REALTY TRUST INC	HR UN		\$ 32.15			0.306	(0.306)
HEALTHCARE TRUST OF AME-CL A	HTA UN	460	\$ 29.25	\$ 13,455.00	0.934	0.436	0.499
HEALTHPEAK PROPERTIES INC	PEAK UN	637	\$ 34.78	\$ 22,154.86	1.539	1.276	0.263
LTC PROPERTIES INC	LTC UN		\$ 39.25			0.105	(0.105)
MEDICAL PROPERTIES TRUST INC	MPW UN	445	\$ 21.76	\$ 9,683.20	0.673	0.857	(0.184)
NATL HEALTH INVESTORS INC	NHI UN		\$ 66.51			0.205	(0.205)
NEW SENIOR INVESTMENT GROUP	SNR UN		\$ 7.24			0.041	(0.041)
OMEGA HEALTHCARE INVESTORS	OHI UN		\$ 37.74			0.596	(0.596)
PHYSICIANS REALTY TRUST	DOC UN		\$ 19.47			0.278	(0.278)
SABRA HEALTH CARE REIT INC	SBRA UW	131	\$ 18.05	\$ 2,364.55	0.164	0.259	(0.095)
UNIVERSAL HEALTH RLTY INCOME	UHT UN		\$ 70.89			0.066	(0.066)
VENTAS INC	VTR UN	182	\$ 58.09	\$ 10,572.38	0.734	1.482	(0.748)
WELLTOWER INC	WELL UN	430	\$ 79.68	\$ 34,262.40	2.380	2.265	0.115
› Hotel & Resort REITs				\$ 66,786.15	4.638	3.391	1.248
APPLE HOSPITALITY REIT INC	APLE UN		\$ 16.37			0.249	(0.249)
ASHFORD HOSPITALITY TRUST	AHT UN		\$ 6.44			0.030	(0.030)
BRAEMAR HOTELS & RESORTS INC	BHR UN		\$ 6.58			0.018	(0.018)
CHATHAM LODGING TRUST	CLDT UN		\$ 13.86			0.044	(0.044)
CONDOR HOSPITALITY TRUST INC	CDOR UA		\$ 4.89			0.004	(0.004)
COREPOINT LODGING INC	CPLG UN		\$ 10.20			0.040	(0.040)
DIAMONDROCK HOSPITALITY CO	DRH UN		\$ 10.39			0.149	(0.149)
HERSHA HOSPITALITY TRUST	HT UN		\$ 12.01			0.032	(0.032)
HOST HOTELS & RESORTS INC	HST UW	1498	\$ 17.91	\$ 26,829.18	1.863	0.860	1.003
MGM GROWTH PROPERTIES LLC-A	MGP UN		\$ 37.00			0.331	(0.331)
PARK HOTELS & RESORTS INC	PK UN		\$ 21.54			0.346	(0.346)
PEBBLEBROOK HOTEL TRUST	PEB UN	633	\$ 24.28	\$ 15,369.24	1.067	0.217	0.850
RLJ LODGING TRUST	RLJ UN	1392	\$ 16.15	\$ 22,480.80	1.561	0.181	1.380
RYMAN HOSPITALITY PROPERTIES	RHP UN		\$ 80.89			0.303	(0.303)
SERVICE PROPERTIES TRUST	SVC UW	81	\$ 13.97	\$ 1,131.57	0.079	0.157	(0.078)
SOTHERLY HOTELS INC	SOHO UQ		\$ 4.04			0.004	(0.004)
SUMMIT HOTEL PROPERTIES INC	INN UN	96	\$ 10.16	\$ 975.36	0.068	0.073	(0.005)

Name	Ticker (P)	Pos (P)	Price (P)	Mkt Val (P)	% Wgt (P)	% Wgt (B)	% Wgt (D)
SUNSTONE HOTEL INVESTORS INC	SHO UN		\$ 13.19			0.194	(0.194)
XENIA HOTELS & RESORTS INC	XHR UN		\$ 20.50			0.159	(0.159)
› Industrial REITs				\$ 172,040.77	11.949	11.222	0.727
AMERICOLD REALTY TRUST	COLD UN		\$ 39.22			0.672	(0.672)
DUKE REALTY CORP	DRE UN	182	\$ 49.30	\$ 8,972.60	0.623	1.255	(0.632)
EASTGROUP PROPERTIES INC	EGP UN		\$ 168.64			0.455	(0.455)
FIRST INDUSTRIAL REALTY TR	FR UN	546	\$ 53.62	\$ 29,276.52	2.033	0.471	1.562
INDUSTRIAL LOGISTICS PROPERT	ILPT UW		\$ 26.34			0.117	(0.117)
INNOVATIVE INDUSTRIAL PROPER	IIPR UN		\$ 191.73			0.312	(0.312)
LEXINGTON REALTY TRUST	LXP UN		\$ 12.97			0.245	(0.245)
MONMOUTH REAL ESTATE INV COR	MNR UN	393	\$ 19.39	\$ 7,620.27	0.529	0.130	0.399
PLYMOUTH INDUSTRIAL REIT INC	PLYM UN		\$ 20.00			0.034	(0.034)
PROLOGIS INC	PLD UN	834	\$ 124.71	\$ 104,008.14	7.224	6.272	0.952
REXFORD INDUSTRIAL REALTY IN	REXR UN	374	\$ 59.26	\$ 22,163.24	1.539	0.530	1.009
STAG INDUSTRIAL INC	STAG UN		\$ 38.66			0.417	(0.417)
TERRENO REALTY CORP	TRNO UN		\$ 66.52			0.311	(0.311)
› Mortgage REITs				\$ 6,996.60	0.486	0.297	0.189
HANNON ARMSTRONG SUSTAINABLE	HASI UN	130	\$ 53.82	\$ 6,996.60	0.486	0.286	0.200
LUMENT FINANCE TRUST INC	LFT UN		\$ 4.06			0.007	(0.007)
TREMONT MORTGAGE TRUST	TRMT UR		\$ 5.99			0.003	(0.003)
› Office REITs				\$ 163,842.96	11.379	8.069	3.310
ALEXANDRIA REAL ESTATE EQUIT	ARE UN	94	\$ 193.42	\$ 18,181.48	1.263	1.800	(0.538)
BOSTON PROPERTIES INC	BXP UN	341	\$ 123.17	\$ 42,000.97	2.917	1.306	1.611
BRANDYWINE REALTY TRUST	BDN UN		\$ 14.96			0.174	(0.174)
CIM COMMERCIAL TRUST CORP	CMCT UQ		\$ 9.06			0.018	(0.018)
COLUMBIA PROPERTY TRUST INC	CXP UN	331	\$ 18.84	\$ 6,236.04	0.433	0.147	0.286
CORPORATE OFFICE PROPERTIES	OFC UN		\$ 30.15			0.230	(0.230)
COUSINS PROPERTIES INC	CUZ UN	513	\$ 39.71	\$ 20,371.23	1.415	0.402	1.013
DOUGLAS EMMETT INC	DEI UN	342	\$ 36.26	\$ 12,400.92	0.861	0.433	0.428
EASTERLY GOVERNMENT PROPERTI	DEA UN		\$ 21.76			0.122	(0.122)
EQUITY COMMONWEALTH	EQC UN	275	\$ 28.01	\$ 7,702.75	0.535	0.232	0.303
FRANKLIN STREET PROPERTIES C	FSP UA	93	\$ 5.55	\$ 516.15	0.036	0.041	(0.005)
HIGHWOODS PROPERTIES INC	HIW UN		\$ 48.51			0.343	(0.343)
HUDSON PACIFIC PROPERTIES IN	HPP UN		\$ 29.72			0.305	(0.305)
JBG SMITH PROPERTIES	JBGS UN	58	\$ 34.96	\$ 2,027.68	0.141	0.313	(0.172)
KILROY REALTY CORP	KRC UN	171	\$ 73.34	\$ 12,541.14	0.871	0.581	0.290
MACK-CALI REALTY CORP	CLI UN	382	\$ 17.93	\$ 6,849.26	0.476	0.111	0.365
OFFICE PROPERTIES INCOME TRU	OPI UW		\$ 30.92			0.102	(0.102)
PARAMOUNT GROUP INC	PGRE UN		\$ 11.44			0.171	(0.171)
PIEDMONT OFFICE REALTY TRU-A	PDM UN	398	\$ 20.28	\$ 8,071.44	0.561	0.171	0.389
POSTAL REALTY TRUST INC- A	PSTL UN		\$ 20.99			0.018	(0.018)
SL GREEN REALTY CORP	SLG UN	326	\$ 82.65	\$ 26,943.90	1.871	0.397	1.474
VORNADO REALTY TRUST	VNO UN		\$ 50.01			0.652	(0.652)
› Residential REITs				\$ 222,963.36	15.485	14.241	1.244
AMERICAN CAMPUS COMMUNITIES	ACC UN	108	\$ 48.76	\$ 5,266.08	0.366	0.457	(0.091)
AMERICAN HOMES 4 RENT- A	AMH UN	586	\$ 39.27	\$ 23,012.22	1.598	0.844	0.754
APARTMENT INVT & MGMT CO -A	AIV UN	353	\$ 7.68	\$ 2,711.04	0.188	0.078	0.111
AVALONBAY COMMUNITIES INC	AVB UN	79	\$ 214.64	\$ 16,956.56	1.178	2.039	(0.862)
BLUEROCK RESIDENTIAL GROWTH	BRG UA	479	\$ 10.10	\$ 4,837.90	0.336	0.016	0.320
BRT APARTMENTS CORP	BRT UN		\$ 17.53			0.021	(0.021)
CAMDEN PROPERTY TRUST	CPT UN	208	\$ 135.26	\$ 28,134.08	1.954	0.899	1.055
CENTERSPACE	CSR UN		\$ 75.30			0.067	(0.067)
CLIPPER REALTY INC	CLPR UN		\$ 7.93			0.010	(0.010)
EQUITY LIFESTYLE PROPERTIES	ELS UN		\$ 75.94			0.943	(0.943)
EQUITY RESIDENTIAL	EQR UN	451	\$ 80.75	\$ 36,418.25	2.529	2.049	0.480
ESSEX PROPERTY TRUST INC	ESS UN	36	\$ 314.11	\$ 11,307.96	0.785	1.390	(0.605)
INDEPENDENCE REALTY TRUST IN	IRT UN		\$ 18.70			0.130	(0.130)

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INVITATION HOMES INC	INVH UN	556	\$ 37.71	\$ 20,966.76	1.456	1.456	(0.000)
MID-AMERICA APARTMENT COMM	MAA UN	200	\$ 171.55	\$ 34,310.00	2.383	1.336	1.047
NEXPOINT RESIDENTIAL	NXRT UN		\$ 56.74			0.097	(0.097)
PREFERRED APARTMENT COMMUN-A	APTS UN		\$ 11.10			0.038	(0.038)
SUN COMMUNITIES INC	SUI UN	176	\$ 176.40	\$ 31,046.40	2.156	1.293	0.864
UDR INC	UDR UN	159	\$ 50.29	\$ 7,996.11	0.555	1.016	(0.461)
UMH PROPERTIES INC	UMH UN		\$ 22.46			0.064	(0.064)
› Retail REITs				\$ 205,383.95	14.264	10.998	3.267
ACADIA REALTY TRUST	AKR UN		\$ 22.52			0.132	(0.132)
AGREE REALTY CORP	ADC UN	125	\$ 71.56	\$ 8,945.00	0.621	0.309	0.312
ALEXANDER'S INC	ALX UN		\$ 281.89			0.098	(0.098)
AMERICAN FINANCE TRUST INC	AFIN UW		\$ 9.09			0.067	(0.067)
BRIXMOR PROPERTY GROUP INC	BRX UN	630	\$ 24.18	\$ 15,233.40	1.058	0.489	0.569
BROOKFIELD PROPERTY REIT I-A	BPYU UW		\$ 18.50			0.049	(0.049)
CBL & ASSOCIATES PROPERTIES	CBLAQ UV		\$ 0.13			0.002	(0.002)
CEDAR REALTY TRUST INC	CDR UN		\$ 15.39			0.014	(0.014)
FEDERAL REALTY INVS TRUST	FRT UN		\$ 123.61			0.646	(0.646)
GETTY REALTY CORP	GTY UN		\$ 33.43			0.100	(0.100)
INVENTRUST PROPERTIES CORP	IARE UV		\$ 1.36			0.067	(0.067)
KIMCO REALTY CORP	KIM UN	1068	\$ 22.10	\$ 23,602.80	1.639	0.651	0.989
KITE REALTY GROUP TRUST	KRG UN		\$ 22.92			0.132	(0.132)
MACERICH CO/THE	MAC UN	210	\$ 17.69	\$ 3,714.90	0.258	0.186	0.072
NATIONAL RETAIL PROPERTIES	NNN UN	316	\$ 49.76	\$ 15,724.16	1.092	0.594	0.498
NETSTREIT CORP	NTST UN		\$ 23.91			0.046	(0.046)
PENN REAL ESTATE INVEST TST	PEI UN	363	\$ 3.11	\$ 1,128.93	0.078	0.017	0.062
REALTY INCOME CORP	O UN	244	\$ 70.38	\$ 17,172.72	1.193	1.789	(0.597)
REGENCY CENTERS CORP	REG UW	156	\$ 68.20	\$ 10,639.20	0.739	0.789	(0.050)
RETAIL OPPORTUNITY INVESTMEN	ROIC UW	893	\$ 18.61	\$ 16,618.73	1.154	0.150	1.005
RETAIL PROPERTIES OF AME - A	RPAI UN		\$ 12.51			0.183	(0.183)
RETAIL VALUE INC	RVI UN	22	\$ 21.43	\$ 471.46	0.033	0.029	0.004
RPT REALTY	RPT UN	311	\$ 13.78	\$ 4,285.58	0.298	0.076	0.221
SAUL CENTERS INC	BFS UN		\$ 46.39			0.074	(0.074)
SERITAGE GROWTH PROP- A REIT	SRG UN		\$ 18.89			0.050	(0.050)
SIMON PROPERTY GROUP INC	SPG UN	579	\$ 134.23	\$ 77,719.17	5.398	3.002	2.395
SITE CENTERS CORP	SITC UN	216	\$ 15.70	\$ 3,391.20	0.236	0.207	0.029
SPIRIT REALTY CAPITAL INC	SRC UN		\$ 50.88			0.398	(0.398)
TANGER FACTORY OUTLET CENTER	SKT UN	183	\$ 19.33	\$ 3,537.39	0.246	0.123	0.123
URBAN EDGE PROPERTIES	UE UN	149	\$ 20.27	\$ 3,020.23	0.210	0.162	0.048
URSTADT BIDDLE - CLASS A	UBA UN		\$ 19.65			0.040	(0.040)
WASHINGTON PRIME GROUP INC	WPG UN	37	\$ 4.84	\$ 179.08	0.012	0.007	0.006
WEINGARTEN REALTY INVESTORS	WRI UN		\$ 33.81			0.293	(0.293)
WHEELER REAL ESTATE INVESTME	WHLR UR		\$ 5.00			0.003	(0.003)
WHITESTONE REIT	WSR UN		\$ 8.67			0.025	(0.025)
› Specialized REITs				\$ 446,303.02	30.997	39.197	(8.200)
AMERICAN TOWER CORP	AMT UN	396	\$ 268.35	\$ 106,266.60	7.380	8.120	(0.740)
CATCHMARK TIMBER TRUST INC-A	CTT UN		\$ 12.01			0.040	(0.040)
COREENERGY INFRASTRUCTURE TRU	CORR UN	96	\$ 7.21	\$ 692.16	0.048	0.007	0.041
CORESITE REALTY CORP	COR UN	115	\$ 133.24	\$ 15,322.60	1.064	0.388	0.676
CROWN CASTLE INTL CORP	CCI UN	402	\$ 194.34	\$ 78,124.68	5.426	5.708	(0.282)
CUBESMART	CUBE UN	393	\$ 46.39	\$ 18,231.27	1.266	0.617	0.649
CYRUSONE INC	CONE UW	61	\$ 79.92	\$ 4,875.12	0.339	0.656	(0.317)
DIGITAL REALTY TRUST INC	DLR UN	247	\$ 162.20	\$ 40,063.40	2.782	3.096	(0.313)
EPR PROPERTIES	EPR UN	126	\$ 53.73	\$ 6,769.98	0.470	0.274	0.197
EQUINIX INC	EQIX UW	78	\$ 816.04	\$ 63,651.12	4.421	4.961	(0.541)
EXTRA SPACE STORAGE INC	EXR UN	201	\$ 159.45	\$ 32,049.45	2.226	1.426	0.800
FARMLAND PARTNERS INC	FPI UN		\$ 13.01			0.026	(0.026)
FOUR CORNERS PROPERTY TRUST	FCPT UN		\$ 28.62			0.148	(0.148)



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GAMING AND LEISURE PROPERTIE	GLPI UW		\$ 47.86			0.759	(0.759)
GEO GROUP INC/THE	GEO UN		\$ 7.40			0.061	(0.061)
GLADSTONE LAND CORP	LAND UQ		\$ 24.83			0.045	(0.045)
GLOBAL SELF STORAGE INC	SELF UR		\$ 6.69			0.004	(0.004)
IRON MOUNTAIN INC	IRM UN		\$ 46.28			0.909	(0.909)
LAMAR ADVERTISING CO-A	LAMR UW		\$ 107.32			0.632	(0.632)
LIFE STORAGE INC	LSI UN	127	\$ 107.47	\$ 13,648.69	0.948	0.552	0.396
NATIONAL STORAGE AFFILIATES	NSA UN		\$ 49.26			0.239	(0.239)
OUTFRONT MEDIA INC	OUT UN		\$ 24.72			0.243	(0.243)
POTLATCHDELTIC CORP	PCH UW		\$ 54.53			0.248	(0.248)
POWER REIT	PW UA		\$ 42.83			0.010	(0.010)
PUBLIC STORAGE	PSA UN	160	\$ 295.81	\$ 47,329.60	3.287	3.523	(0.236)
QTS REALTY TRUST INC-CL A	QTS UN	247	\$ 78.05	\$ 19,278.35	1.339	0.342	0.997
RAYONIER INC	RYN UN		\$ 36.30			0.341	(0.341)
SAFEHOLD INC	SAFE UN		\$ 76.97			0.279	(0.279)
SBA COMMUNICATIONS CORP	SBAC UW		\$ 317.34			2.373	(2.373)
UNITI GROUP INC	UNIT UW		\$ 10.93			0.173	(0.173)
VICI PROPERTIES INC	VICI UN		\$ 32.80			1.199	(1.199)
WEYERHAEUSER CO	WY UN		\$ 35.32			1.798	(1.798)
› Thrifts & Mortgage Finance						0.004	(0.004)
INCOME OPP REALTY INVESTORS	IOR UA		\$ 12.41			0.004	(0.004)
› Not Classified				\$ 42,648.38	2.962		2.962
US DOLLAR	USD	42648	\$ 1.00	\$ 42,648.38	2.962		2.962