IdealRatings®

REITs Socially Responsible Guidelines

IdealRatings developed a comprehensive qualitative model to screen REIT instruments against socially responsible guidelines. The universe consists of 850+ listed REIT across more than 35 nations. Covering REITs in the US, UK, Japan, Thailand, Canada, Singapore, Australia, GCC among others. IdealRatings research methodology covers all types of REITs including commercial, offices, residential and industrial REITs. The research process relies upon different informative sources including the company's financial statements, investor presentations and external market research reports to provide thorough analysis of REITs industry portfolio mix, major tenants and their contribution to the company's income.

REITs Exclusionary/Negative Screening

Using this negative screening, REITs that do not meet IdealRatings Socially responsible guidelines are excluded. Screening is done based on revenue segmentation. According to the model, the sum of the income generated from the tenants' activities below should not exceed 5% of the total income generated by the REIT.

Management Effectiveness Screening

IdealRatings Socially responsible complex model screens the REITs in terms of management effectiveness. Based on the model, total sum of interest-bearing debt should not exceed 33% of the assets market value as valuated by independent third-party valuators and reported in the REITs financial statements. If the assets market value is not available through independent provider or the market value of assets is below the book value due to temporary market conditions (e.g., financial crisis or market depression) assets book value is used in the screening. For the US & Japan based REITs, enterprise value (EV) is used for the REIT asset valuation.

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About IdealRatings

IdealRatings is a leading financial data and technology provider that empowers global asset managers, asset services, financial institutions, and asset owners with an array of responsible investment solutions. IdealRatings provides its world class clients with innovative data services, analytical tools, and reports for a global universe of equities, fixed income, and REITs with a mission to enable responsible investments worldwide. IdealRatings' state of the art technology infrastructure offers over 10 million data points for diverse instruments backed by an experienced research team, proprietary methodology and robust guidelines customization engine

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