

## Marketing communication

# Global Real Estate Carbon Reduction

*The strategy aims to provide long-term capital appreciation and current income by investing in real estate companies that have either achieved carbon neutrality, or have a target to or track record of reducing greenhouse gas emissions in a manner that is aligned with the Paris Agreement.*

## INVESTMENT PHILOSOPHY

We believe a diversified real estate securities portfolio, selected via a bottom-up process incorporating emissions data, may outperform over the long term by incorporating an active blend of:

- Fundamental analysis
- Factor assessment
- Sustainability criteria
- Company engagement

## WE SEEK TO:

- Take advantage of relative value opportunities using an in depth, granular research process and high conviction price targets
- Exploit idiosyncratic risk factors through active management
- Engage with individual companies to deeply understand their carbon reduction credibility and their potential for long-term outperformance
- Offer lower volatility potential and improved performance with greater diversification across countries, sectors and companies

## PORTFOLIO MANAGEMENT

**Benjamin T. Kerl** | 21 years industry experience

**Scott C. Sedlak** | 26 years industry experience

**Jagdeep S. Ghuman** | 22 years industry experience

**Crispin Royale-Davies** | 14 years industry experience

## AT-A-GLANCE

<b>Primary benchmark</b>	FTSE EPRA Nareit Developed Index
<b>Number of positions</b>	Typically >75
<b>Typical geographic allocation range</b>	50 – 70% United States 15 – 25% Europe and North America ex-U.S. 15 – 30% Asia Pacific
<b>Permitted investments</b>	Real estate companies that satisfy at least one of the following requirements: <ul style="list-style-type: none"> <li>• Achieved carbon neutrality without significant reliance on carbon offsets</li> <li>• Display a track record of reducing carbon emissions or carbon emission intensity</li> <li>• Have a credible target to reduce carbon emissions or carbon emissions intensity</li> <li>• Have a Science Based Targets initiative (SBTi)-approved carbon reduction target</li> </ul>

DEFINING THE CARBON REDUCTION UNIVERSE AND CONSTRUCTING THE PORTFOLIO



STRATEGY HIGHLIGHTS



**History of real estate investing:**

- Managing listed real estate as a team since 2005
- Consistent process and approach to real estate investing across a wide variety of market environments



**Total return potential:**

- Portfolio constructed to highlight high conviction stock ideas while preserving diverse exposure to factors such as duration, sectors, leverage and currency



**Championing carbon reduction:**

- Proprietary, rigorous approach creates a universe of real estate companies that exclusively meet our carbon reduction criteria and our “do no significant harm” threshold
- Selected companies have a track record or a target to reduce carbon emissions at a pace consistent with prevailing scientific and political goals



**Making a difference:**

- Experienced investment team leverages Nuveen’s deep responsible investing leadership
- Engage with companies to improve emission disclosure, set emissions reduction targets, and deliver on those targets



**Deep understanding of companies:**

- Well-resourced team uses an active, bottom-up approach to take advantage of short-term mispricings and position for longer-term structural trends



**Diversification and liquidity:**

- A listed real estate strategy can help provide portfolio diversification from traditional equity and fixed income strategies

Diversification does not assure a profit or protect against loss.

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**Risks and other important considerations**

**Investing in securities involves risk of loss that clients should be prepared to bear.** The real estate industry is greatly affected by economic downturns or by changes in real estate values, rents, property taxes, interest rates, tax treatment, regulations, or the legal structure of the REIT. Prices of equity securities may decline significantly over short or extended periods of time. Non-U.S. investments involve risks such as currency fluctuation, political and economic instability, lack of liquidity and differing legal and accounting standards. These risks are magnified in emerging markets. These are other risk considerations, such as currency, growth stock, and smaller company risks.

**Responsible investing** incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well.

ESG integration is the consideration of financially material ESG factors in support of portfolio management for actively managed strategies. Financial materiality of ESG factors varies by asset class and investment strategy. Applicability of ESG factors may differ across investment strategies. ESG factors are among many factors considered in evaluating an investment decision, and unless otherwise stated in the relevant offering memorandum or prospectus, do not alter the investment guidelines, strategy or objectives.

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