

FREL

Fidelity MSCI Real Estate Index ETF

Analyst Report

The Fidelity MSCI Real Estate Index ETF (FREL) offers broad exposure to U.S. equity REITs, alongside a small allocation to specialized REITs and real estate firms. Real estate has historically been embraced because of its ability to deliver excess returns during bull markets and low correlation with traditional stock and bond investments. REITs might appeal to investors seeking current income, as these trusts must distribute at least 90% of their income to investors and offer an efficient way for investors to gain indirect exposure to real estate prices (as opposed to direct exposure gained through ownership of a residential property).

FREL is competitively priced compared to rivals in the low-cost REIT space, including JPMorgan BetaBuilders MSCI US REIT ETF (BBRE), the Vanguard Real Estate Trust (VNQ), and the Schwab U.S. REIT ETF (SCHH). As of June 2020, FREL charges a significantly lower management fee than the iShares U.S. Real Estate ETF (IYR), long a giant in the segment.

ESG Themes and Scores

6.43/10

ESG Rate

45.16%

Global Percentile

62.8%

Peer Percentile

Performance Data

	FREL	ETF Database Category Average	Factset Segment Average
1 Month	2.12%	2.13%	2.17%
3 Month	1.87%	2.61%	2.08%
YTD Return	10.09%	10.69%	10.20%
1 Year Return	13.22%	13.13%	11.94%
3 Year Return	11.10%	9.37%	8.68%
5 Year Return	3.24%	2.15%	2.04%

Top 5 Holdings

Symbol	Holding	% Assets
WELL	Welltower Inc.	8.44%
PLD	Prologis, Inc.	8.41%
AMT	American Tower Corporation	5.33%
EQIX	Equinix, Inc.	4.74%
SPG	Simon Property Group, Inc.	4.32%

Vitals

Issuer	Fidelity
Brand	Fidelity
Structure	ETF
Expense Ratio	0.08%
Inception	Feb 02, 2015
Index Tracked	MSCI US IMI/Real Estate 25-25

ETF Database Themes

Category	Real Estate
Asset Class	Real Estate
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Real Estate
Category	Sector
Focus	Real Estate
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

