AREA
Harbor AlphaEdge Next Generation REITs ETF

Fund Description

AREA tracks an index that targets non-traditional US-listed REITs. The fund employs a proprietary model and optimizer that uses fundamental and technical factors in selecting and weighting securities.

FactSet Analyst Report

AREA targetsNext Generation REITs through a proprietary rules-based methodology. Instead of traditional office, multi-family, retail, and industrial REITs, the fund favors non-traditional REITs (e.g., data center, gaming, healthcare & life sciences, hotel & motel, manufactured homes, and self-storage). From an index universe of 3,000 US-listed securities, the fund relies on FactSets RBICS sub-industry classification in filtering Next-Gen REITs. Each qualified company is scored across five factor composites (capital deployment, momentum, quality, risk, and valuation) for a combined stock selection score based on prevailing business cycle regimes. The index provider then selects and weights securities using an optimizer that measures the risk-adjusted returns of the portfolio against a benchmark with similar holdings. The fund holds between 35 and 70 REITs, subject to certain capping limits. The index is reconstituted and rebalanced monthly.