

CRED

Columbia Research Enhanced Real Estate ETF

Fund Description

CRED tracks an index comprised of US REITs. The strategy is based on a multi-factor criteria evaluated by Columbia Threadneedle and Lionstone Investments.

FactSet Analyst Report

CRED attempts to capture a highly liquid portfolio of US-listed REITs built by the adviser and its subsidiary. The investment process begins with the broad universe of publicly traded REIT companies. Columbia applies a multi-factor quantitative investment model that rates companies based on quality, value and catalyst. Companies that score in the bottom 35% are excluded from further evaluation. Securities remaining are ranked based on liquidity, narrowing down the universe to the top 75%. Lionstone Investments then assesses an exposure score multiplier (LES), which is based on the percentage of assets each REIT holds located within Lionstone's favored markets. These markets are US cities and regions evaluated based on their local real estate market's growth potential, combined with secular and cyclical trends such as employment, demographics, and migration. The portfolio holds 70-90 REITs, weighted based on their market capitalization summed with their LES and 12-month forward dividend yield multipliers. The index is reconstituted annually in March.

