

Press Release
7 September 2023

APG launches first of its kind Real Estate Responsible Investment Index Strategy with CRREM-alignment¹.

Amsterdam, 7 September 2023: APG introduces a cost effective ESG-focused Real Estate index strategy for pension funds. The index strategy is an innovative approach that enables APG's clients to invest into listed Real Estate while at the same time accounting for various ESG-factors². The introduction of this Real Estate index product follows the introduction of RI index investment solutions for equities in 2021.

The iSTOXX APG Real Estate CRREM-aligned Responsible Investment Index has been developed to address a growing demand for cost-efficient and ESG-focused listed Real Estate strategies for our clients. Starting from the first investment into listed Real Estate over 25 years ago, APG has been widely recognized as one of the leading long-term responsible investors and a driving force within the industry through innovation and adherence to the highest ESG standards. APG is set on maintaining this position and continues to raise standards within the industry.

Rutger van der Lubbe, head of Global Real Estate Investment Strategy at APG: “The launch of the APG Real Estate CRREM-aligned RI Index strategy is the next step in the evolution of the award-winning APG Listed Real Estate strategy, which has successfully been run for our clients for over 25 years, providing them with unique exposure to Global listed Real Estate whilst generating attractive returns in a risk-controlled manner. This product both leverages and complements our existing product range of actively managed investment solutions”

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About APG

As the largest pension provider in the Netherlands APG looks after the pensions of 4.8 million participants. APG provides executive consultancy, asset management, pension administration, pension communication and employer services. We work for pension funds and employers in the sectors of education, government, construction, cleaning, housing associations, sheltered employment organizations, medical specialists, and architects. APG manages approximately €530 billion (April 2023) in pension assets. With approximately 3,000 employees we work from Heerlen, Amsterdam, Brussels, New York, Hong Kong, Singapore, Shanghai and Beijing. www.apg.nl

¹ CRREM: Carbon Risk Real Estate Monitor

² APG leverages multiple data vendors for the assessment of ESG factors, including data from RepRisk and Sustainalytics.

Appendix: Basic features of the index strategy

Market and Parent index:

- Base universe: ~370 Real Estate Companies worldwide
- Investment pool: 130 companies after applying the filters
- ~20 Developed countries
- Daily management corporate action
- Rebalancing at high liquidity moments
- Partnerships with the leading global service providers, competitive fee arrangements

Risk management:

- Low tracking error (~2%) versus Market
- Sector and country “neutrality”
- Risk Factor “neutrality”
- Use of a sophisticated index trading platform
- Continuous evolution of products and capabilities

Responsible Investing:

- Paris-aligned carbon emission intensity
- Real Estate ESG leaders only
- Sound governance
- Solid company reputation
- Exclusions

Partner:

- STOXX
- Axioma

Data providers (as also mentioned in footnote 2)

- RepRisk
- Sustainalytics
- CRREM

Service providers

- Blackrock