MARKET RESEARCH

Global

Listed Real Estate

Emerging Markets 2023 Edition

FTSE EPRA Nareit Global Real Estate Index Series

August 2023

I. Executive Summary

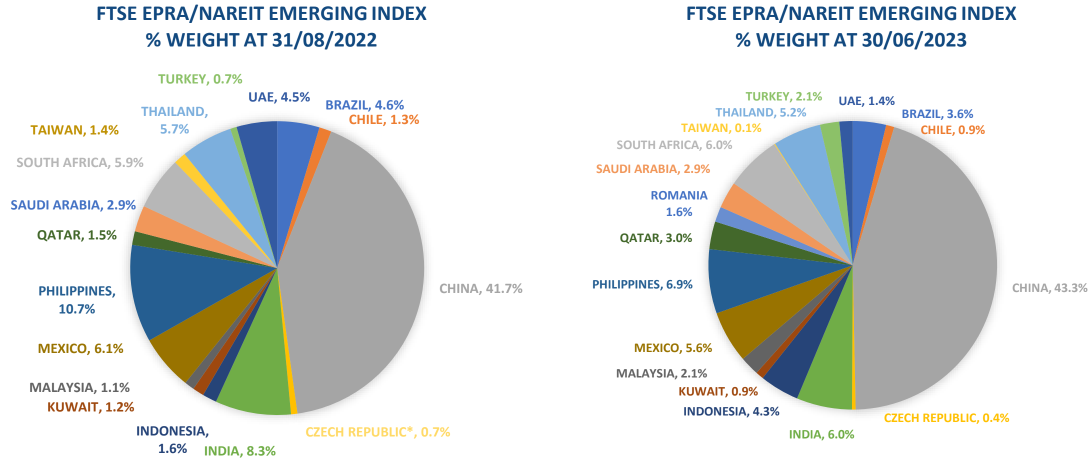
In this report we look at the size and performance of the listed real estate markets in emerging countries, as well as at the key drivers and changes observed in the FTSE EPRA Nareit Emerging Index between summer 2022 and summer 2023. This time we focus our attention on the Americas region, analysing the specific success story behind the Mexican REITs (FIBRAs). Finally, we analyse the current status, evolution and growth potential of the listed real estate industry in the Emerging Americas, showing its outstanding potential for portfolio diversification.

II. FTSE EPRA Nareit Emerging Markets Index size and composition

As of June 2023, the FTSE EPRA Nareit Emerging Markets Index comprised of 129 constituents with a free float market cap of EUR 119,543 million. The Emerging Asia Pacific index counts 65 constituents (free float market cap EUR 78,86 million) while the Emerging EMEA Index has 41 constituents (free float market cap of EUR 21,019 million). Finally, the Emerging Americas Index consists of 26 constituents and a free float market cap amounting to EUR 19,656 million.

The free float market cap of the FTSE EPRA Nareit China Emerging Markets Index stood at EUR 44.8 billion at the end of June 2023, a decrease of over EUR 10 billion (y-o-y). This could be explained by China's persistent property crisis, which has affected many of the constituents in the region. At a company level, "China Resources Land" from China continues to be the largest company in the FTSE EPRA Nareit Emerging Markets Index with a free float market cap of EUR 10.69 billion at the end of June 2023. *Aldar Properties PJSC* (UAE) is the leading company in EMEA region with a free float market cap of EUR 4,641 million and the Mexican *Fibra Uno Administracion S.A. de C.V* tops the Americas region with a market cap amounting to EUR 3,837 million as of June 2023. In terms of number of constituents, the FTSE EPRA Nareit Emerging Markets Index has 129 constituents, compared to 125 during the same period one year ago.

***FTSE EPRA NAREIT Emerging Markets Index*: Weights by country**



Source: EPRA

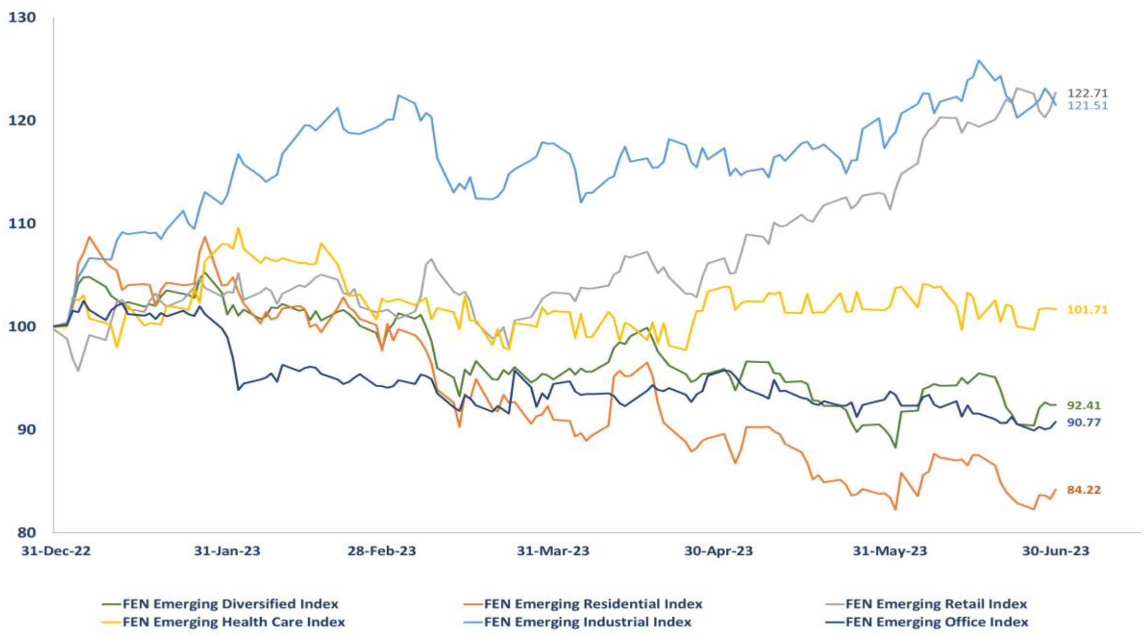
China remained the leader of the FTSE EPRA Nareit Emerging Markets Index by weight with share of 43.3%, increasing from 41.7% in Aug/22, India (8.3% to 6%), South Africa (5.9% to 6%), Philippines (10.7% to 6.9%) and Mexico (6.1% to 5.6%) which are the top 5 biggest countries in the Emerging markets.

III. Comparative performance

In terms of comparative performance of the FTSE EPRA Nareit Emerging Markets Index constituents, it is important to bear in mind that the currency used for the whole FTSE EPRA Nareit Global Real Estate Index series is Euro. This means that fluctuations of local currencies play a crucial role in the Index performance, especially in the FTSE EPRA Nareit Emerging Markets Index, where volatility could be stronger than in developed markets (DM) due to less diversified economies and restrictive regulations.

Until June 2023, the FTSE EPRA Nareit Emerging Markets Index recorded a negative total return of 6.65% YTD, in comparison to the – 3.13% YTD TR achieved last year in August.

***FTSE EPRA NAREIT Emerging Markets Index*: Sectors**



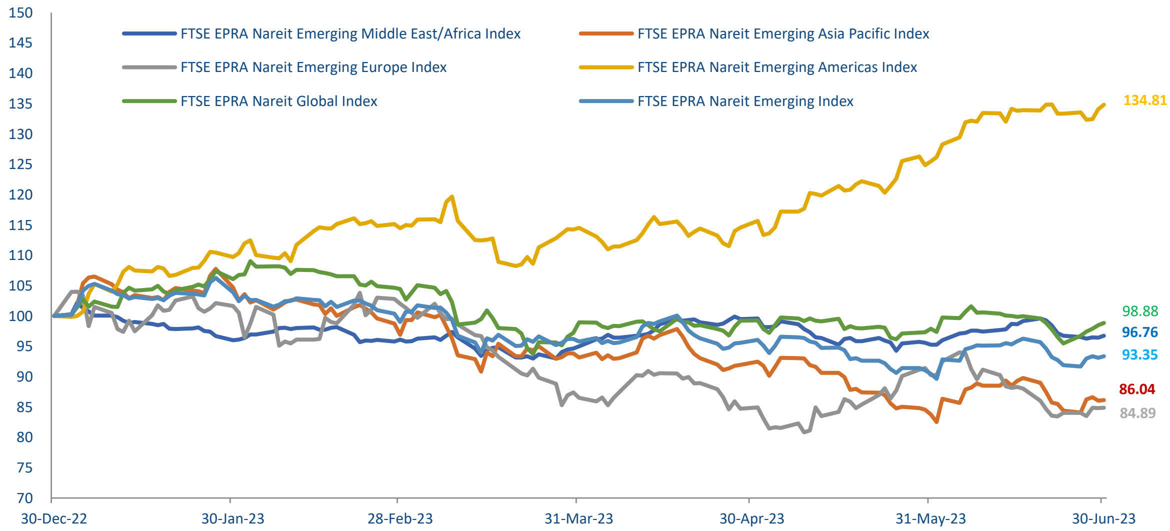
Source: EPRA

The Emerging Asia Pacific index accounts for 66% of the FTSE EPRA Nareit Emerging Markets Index , 4.4% lower than one year ago but it still prevails over other regions. Following Asia, the FTSE EPRA Nareit Emerging EMEA Index continues to gain weight, where the region represented 17.6% of the FTSE EPRA Nareit Emerging Markets Index across eight countries (as of June 2023). The region's YTD TR at the end of June 2023 amounted to -4.85%, with the top performing sub index UAE (20.7%) and the bottom one Turkey (-40.9%).

Lastly, the FTSE EPRA Nareit Emerging Americas Index represent 16.4% of the FTSE EPRA Nareit Emerging Markets Index which includes three countries: Brazil, Chile and Mexico. The Emerging Americas Index had YTD TR of 34.81% at the end of June 2023.

Regarding the property sectors, the top performing sectors were Retail (22.71% TR YTD) and Industrial (21.51% over the same span), while data centres (-49.15%) and Residential (-15.78%) had the worst results.

FTSE EPRA Nareit Emerging Markets Index: Countries



Source: EPRA

The total currency effect in the FTSE EPRA Nareit Emerging Markets Index amounted to –1.27% YTD June 2023, compared to +8.11% during the same period in 2022. In the FTSE EPRA Nareit Emerging Markets Index , 4 of the 18 currencies showed an appreciation against the euro, YTD June 2023. The Turkish lira was the only currency that has depreciated against the euro (-42.4% respectively), continuing to be in a downward spiral. On the other hand, Mexican pesos showed the best currency effect, an appreciation of 10% against the euro.

It is worth recalling that the Chinese constituents have exposure to three different currencies (see the table below): the Hong Kong dollar, the Singapore dollar and the Chinese CNY. In total, the weight of these three currencies on the FTSE EPRA Nareit Emerging Markets Index amounts to 32% which can be decomposed in the following way: 35.3% from the HKD, -3.3% from the SGD and 0.0% from the CNY. As a consequence, the fluctuations of the Hong Kong dollar have a significant impact on the FTSE EPRA Nareit Emerging Markets Index .

Emerging Markets: Equity Markets vs Listed Real Estate and Currency Effects (YTD June 2023)

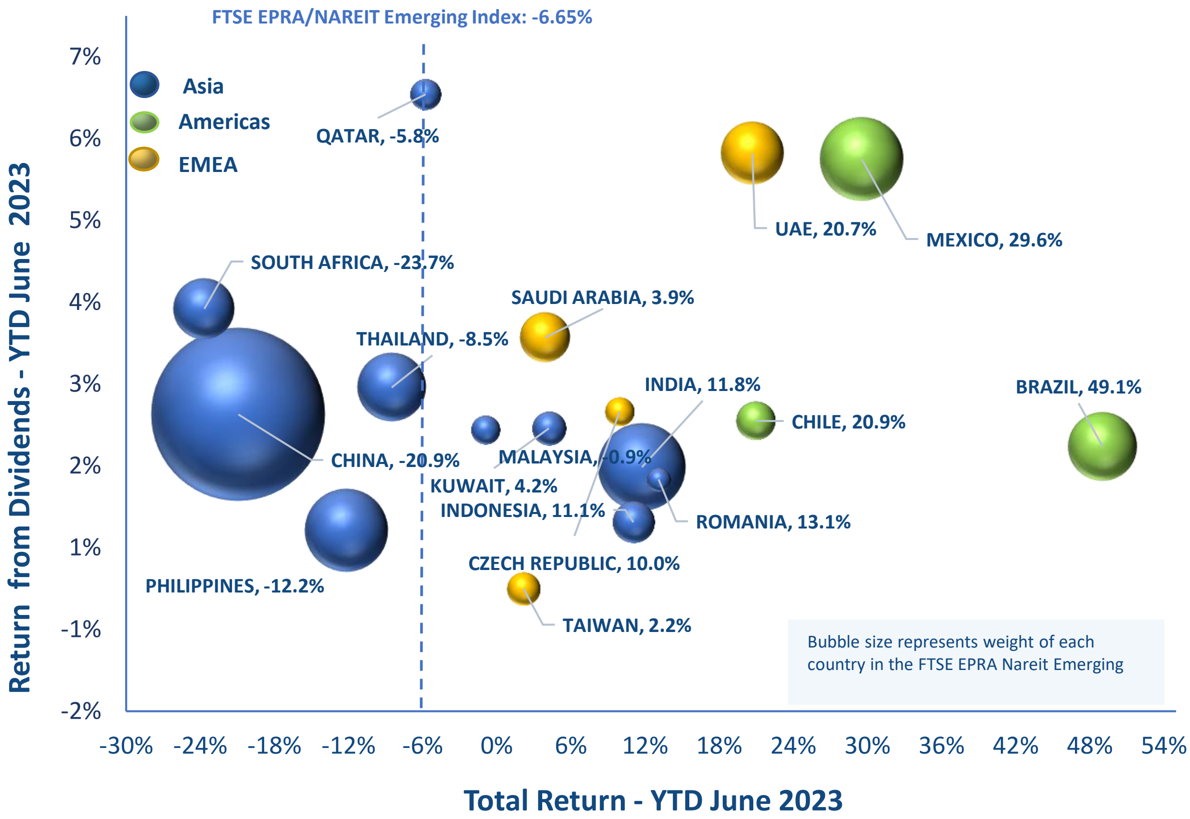
Country *	YTD June 2023 RETURN FROM DIVIDENDS	YTD June 2023 PRICE RETURN EPRA EMERGING INDEX	YTD June 2023 TR EPRA EMERGING INDEX (EUR)	% WEIGHT EPRA EMERGING INDEX	DIV. YIELD (y/y) at 31/08/2022	CURRENCY PERFORMANCE VS EUR *	CURRENCY EFFECT ON THE INDEX	YTD TR Equity Market **(Local Currency)
BRAZIL	1.7%	47.3%	49.1%	5.9%	3.7%	6.60%	0.4%	10.4%
CHILE	2.1%	18.9%	20.9%	1.9%	3.8%	3.75%	0.1%	10.1%
CHINA	2.1%	-23.0%	-20.9%	37.5%	6.4%	-2.59%	-0.8%	-2.7%
CZECH REPUBLIC	2.2%	7.8%	10.0%	1.0%	3.6%	0.00%	0.0%	38.3%
INDIA	1.5%	10.3%	11.8%	9.6%	2.7%	-1.37%	-0.1%	6.7%
INDONESIA	0.8%	10.3%	11.1%	2.1%	1.7%	1.55%	0.0%	1.9%
KUWAIT	2.0%	2.3%	4.2%	1.4%	1.6%	-2.66%	0.0%	-4.8%
MALAYSIA	1.9%	-2.8%	-0.9%	1.0%	5.0%	-8.32%	-0.1%	-3.3%
MEXICO	5.2%	24.3%	29.6%	8.7%	7.0%	10.03%	0.9%	13.1%
PHILIPPINES	0.7%	-12.9%	-12.2%	8.6%	0.9%	-1.26%	-0.1%	0.9%
QATAR	6.0%	-11.8%	-5.8%	1.2%	6.1%	-2.18%	0.0%	-5.9%
ROMANIA	1.3%	11.8%	13.1%	0.7%	2.6%	-0.23%	0.0%	0.0%
SAUDI ARABIA	3.1%	0.9%	3.9%	3.1%	6.7%	-2.03%	-0.1%	10.2%
SOUTH AFRICA	3.4%	-27.1%	-23.7%	4.6%	9.1%	-13.50%	-0.6%	5.9%
TAIWAN	0.0%	2.2%	2.2%	1.4%	9.0%	-3.59%	0.0%	18.8%
THAILAND	2.5%	-11.0%	-8.5%	5.8%	2.4%	-4.65%	-0.3%	-7.1%
TURKEY	1.2%	-42.2%	-40.9%	0.7%	0.8%	-42.37%	-0.3%	7.1%
UAE	5.3%	15.4%	20.7%	4.9%	2.7%	-2.24%	-0.1%	-2.2%
FTSE EPRA/NAREIT Emerging Index	**2.29%**	**-8.95%**	**-6.65%**	**100.0%**	**5.07%**		**-1.27%**	
Emerging: Weighted Average								**2.26%**

*Currency performance for China combines HKD, SGD and CHN. For India, it combines SGD and INR. For Indonesia, it combines SGD and IDR
**Equity markets are represented by the Thomson-Reuters TR Index for each country.

Source: EPRA (Data as of 30 June 2023)

The YTD TR June 2023 in EUR, the top three performers of the FTSE EPRA Nareit Emerging Markets Index were Brazil (+49.06%), Mexico (+29.56%) and the UAE (+20.7%). Turkey was the bottom performer (--40.93%) and South Africa was the second to bottom performer with YTD TR of–23.67%. Regarding, YTD TR in the local currency, the top three performers were Saudi Arabia (31.7%), UAE (29.74%) and Chile (20.95%). Regarding the YTD June 2023 returns from dividends, Qatar had the strongest dividend growth on a country level (+6.0%), followed by Mexico (+5.2%).

FTSE EPRA Nareit Emerging Markets Index



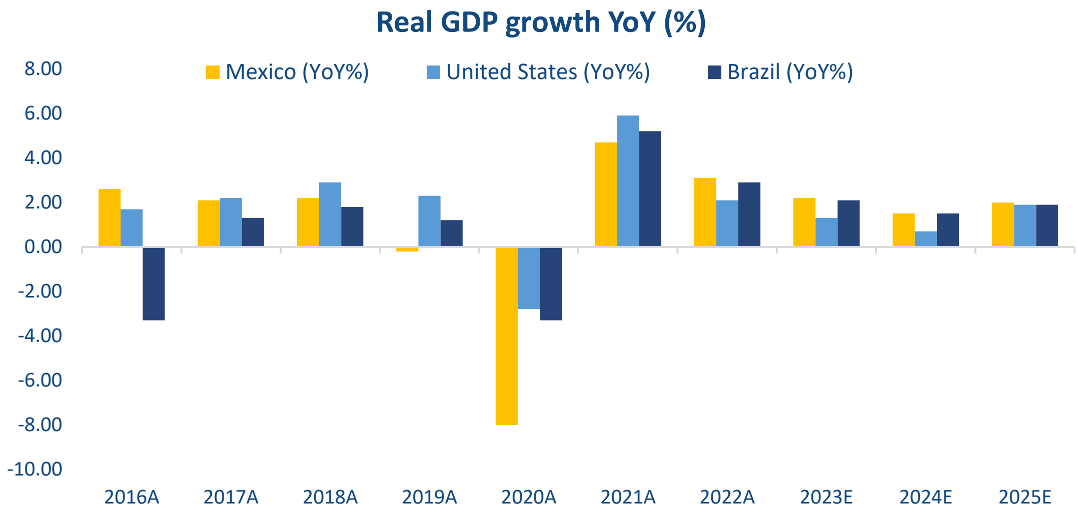
Source: EPRA

IV. Case study: Dynamic Growth and Performance: The Rise of Mexican FIBRAs

Last year's case study focused on the vibrant and fast-growing Saudi listed real estate market, with a particular emphasis on the evolution of Saudi REITs in the FTSE EPRA Nareit Emerging index. It highlighted the remarkable growth of one of the largest emerging markets. In this year's study, we shift our focus to the other side of the world, specifically on one of the fastest-moving emerging economies, Mexico.

Mexico (MEX) ranks as the 13th largest country by land area worldwide, boasting over 1,972,559 km2 of land. Additionally, it holds the position of the second-largest economy in Latin America. The Mexican economy is diverse and continuously expanding, with a strong emphasis on export-oriented activities. One of the key factors contributing to its success is the North American Free Trade Agreement (NAFTA), which was introduced in 1994. This agreement has granted Mexico the privilege of trading freely with the US and Canada, providing significant benefits to its economic growth. For instance, the introduction of the “Maquilas” (Mexican manufacturing plants) served as a way of encouraging foreign investments in Mexico. By building those facilities in Mexico, US companies have had certain tax advantages and the possibility to access a cheaper labour force when compared with the US one.

As the second-largest economy in Latin America, Mexico is gaining prominence as a significant player in the global financial arena. In 2022, it achieved an impressive Real GDP year-on-year growth of 3.1 percent, and according to Bloomberg, it is projected to maintain an average yearly growth of 1.9 percent over the next three years.



Source: BLOOMBERG

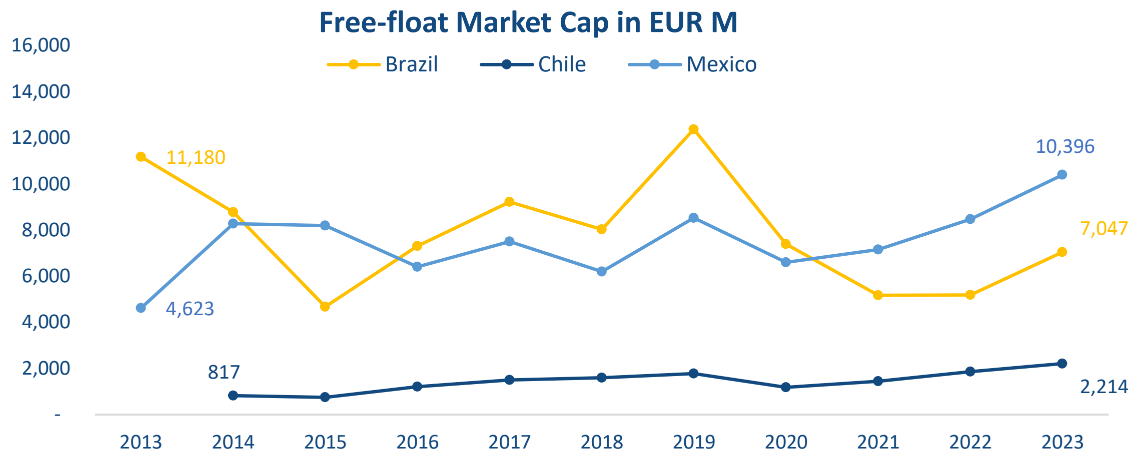
Within the multifaceted economic landscape of Mexico, the listed real estate industry has experienced significant growth over the last decade. In 2013, there were 9 companies in the Mexican real estate landscape. However, today, the number of companies operating in this sector has risen to 26. Out of these 26 companies, 18 are REITs, also known as FIBRAs, which stands for "Fideicomisos de Inversión de Bienes Raíces".

The Mexican FIBRA (REIT) regime was introduced in 2004 with the primary objective of promoting real estate investments, following a model similar to the well-established US REIT regime (Real Estate Investment Trust) but tailored to suit the characteristics of an emerging market like Mexico. Although the FIBRA regime shares many similarities with its US counterpart, there are also some differences. For instance, Mexican FIBRAs are required to distribute at least 95 percent of their taxable income to investors annually, while US-based REITs only need to distribute 90 percent of their taxable income.

The evolution of Mexican companies in the FTSE EPRA Nareit Emerging Index has been notable over the years. When the index was launched in 2008, there were 5 Mexican constituents. Although the number of constituents has remained relatively stable, with 6 companies currently listed, their significance and weight within the FTSE EPRA Nareit Emerging Index have grown substantially over time. The graph below illustrates the dynamic growth pattern of Mexico's listed real estate industry over the last decade.

It is worth noting that historically, there have been more Brazilian index constituents than Mexican ones, with 17 Brazilian companies compared to 6 Mexican ones as of June 2023. However, despite being fewer in number, the Mexican listed real estate companies have outperformed their Brazilian counterparts in terms of growth.

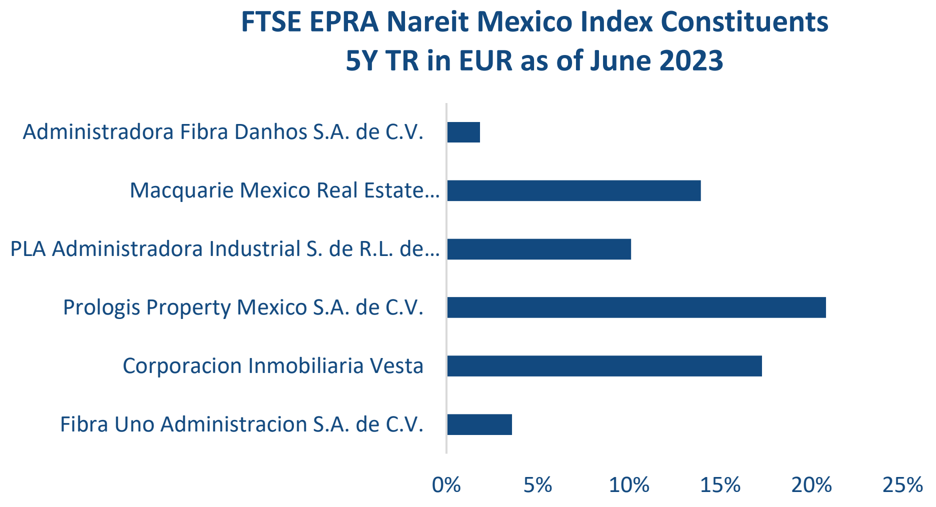
In terms of weight, Mexico's representation in the FTSE EPRA Nareit Emerging Index is now at 8.7 percent, which accounts for more than half of the total weight of Latin American countries within the index. This is a significant increase from a mere 5.07 percent back in 2013. The data showcases the increasing importance of Mexican companies in the FTSE EPRA Nareit Emerging Index and highlights the dynamic growth of Mexico's listed real estate industry in the global market:



Source: EPRA

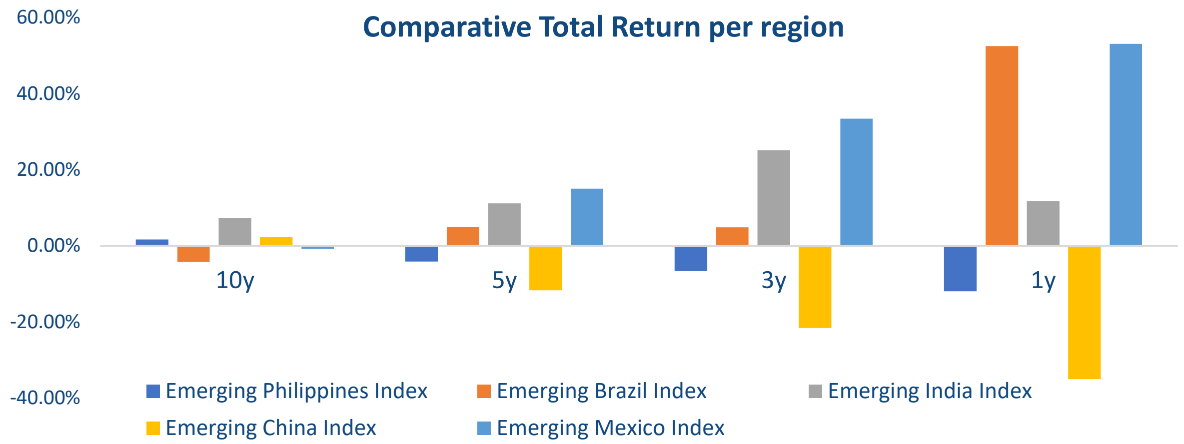
Among the Mexican constituents of the FTSE EPRA Nareit Emerging Index, 5 out of the 6 companies are FIBRAs. In terms of sector breakdown, out of the 6 Mexican constituents, 4 belong to the industrial sector, and the remaining 2 constituents are classified as Diversified. This information reflects the current composition and sectoral distribution of Mexican companies in the FTSE EPRA Nareit Emerging Index, highlighting the significant representation of FIBRAs and the notable presence of the industrial sector within the listed real estate market in Mexico. It is worth noting that one of the main reasons why the industrial sector is this developed in Mexico is due to the above mentioned "maquilas", that allowed foreign investors to expand their business in the Mexican territory. Over the past 5 years, the FTSE EPRA Nareit Emerging Mexico Index has demonstrated impressive performance, with a total annualised return of 15%. The index's performance becomes even more remarkable when we narrow the timeframe to the past 3 years. During this shorter timeframe, the index achieved an outstanding total annualised return of 33.4%, highlighting a period of exceptional growth and strong performance for the Mexican constituents in the FTSE EPRA Nareit Emerging Index.

The graph below illustrates the 5-year performance of the Mexican constituents in the FTSE EPRA Nareit Emerging Index, showcasing the upward trend and positive returns experienced over this period. This data underscores the success and positive trajectory of Mexican listed real estate companies within the FTSE EPRA Nareit Emerging Index, demonstrating their ability to generate significant returns for investors in recent years.



Source: EPRA

Finally, the graph below, by comparing the FTSE EPRA Nareit Emerging Mexico Index with the main emerging markets, showcases how investors' confidence and interest towards the Mexican listed real estate companies has been growing quite considerably over the last 10 years.

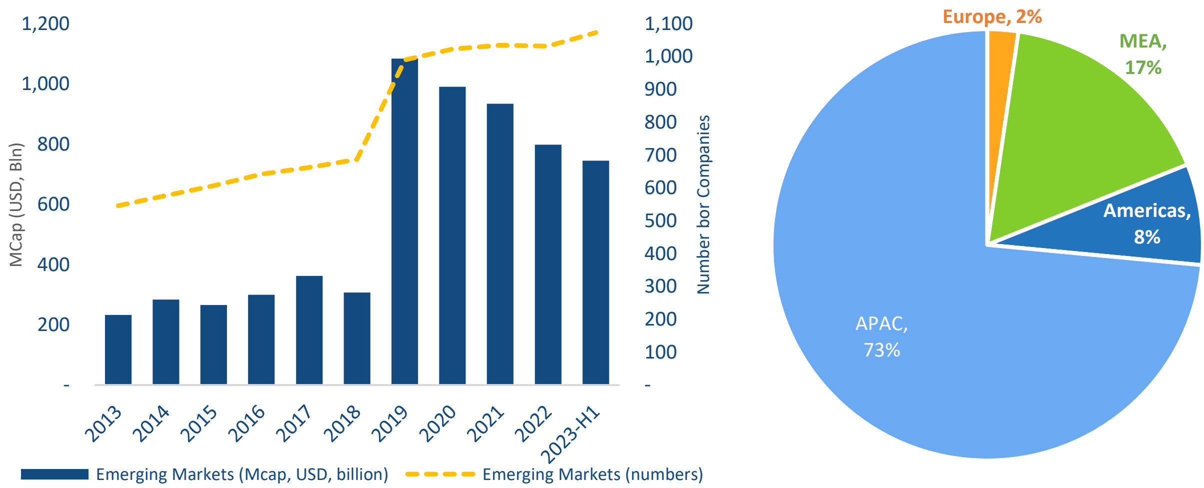


Source: EPRA

To conclude, the evolution of Mexican listed real estate companies in the FTSE EPRA Nareit Emerging Index has been remarkable. Mexico is emerging as a strong player in the global financial landscape. Over the past decade, its real estate industry showed impressive growth, outpacing the largest economy in Latin America, Brazil. The Mexican FIBRA regime has played a major role in promoting real estate investments and supporting the market's growth. The future looks promising for Mexico's economy, which is expanding and becoming more diverse, making it an attractive option for international investors from all over the world.

V. Potential for Growth of the Listed Real Estate industry in Emerging Americas

Global Emerging Markets : Evolution of Listed Real Estate [1]



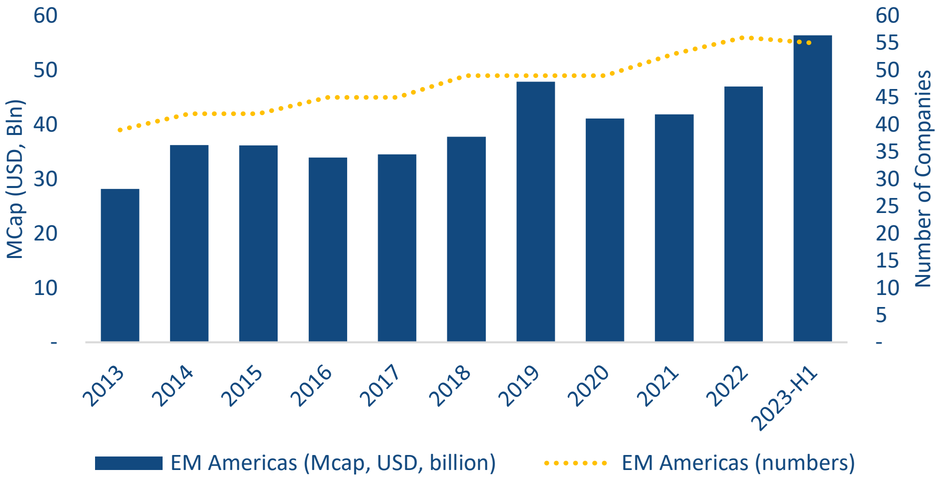
Source: EPRA Research (Total Markets Table reports). Data is compiled from Bloomberg (as of 30/06/2023).
Note : Due to lack of data, FTSE EPRA Nareit Brazil index data is included instead of all listed real estate companies.

[1] FTSE Russell announcements on the equity country classification changes : (**2010**) UAE was added directly to *Secondary Emerging* from Unclassified - 17 Sept 2010. (**2015**) Morocco was demoted from Secondary Emerging to *Frontier* - 19 June 2015. (**2016**) Greece was demoted from Developed to *Advanced Emerging* - 18 March 2016, and Qatar was promoted from Frontier to *Secondary Emerging* (effective in two tranches: 50% in September 2016 and 50% in March 2017). (**2018**) Poland was promoted from Advanced Emerging to *Developed* -21 September 2018, and Kuwait was promoted to *Secondary Emerging* from Unclassified (effective in two tranches: 50% effective at the close on 21 September 2018 and 50% at the close on 21 December 2018). (**2019**) Saudi Arabia was promoted to *Secondary Emerging* from Unclassified - 15 March 2019, and China A was reclassified as *Secondary Emerging* from Unclassified - 21 June 2019. (**2020**) Romania was reclassified from Frontier to *Secondary Emerging* - 18 September 2020. (**2022**) Russia was reclassification from Secondary Emerging to Unclassified market status - 07 March 2022. Iceland was promoted from *Frontier* to *Secondary Emerging* market status on 19 September 2022.

As of 30/06/2023, total listed real estate (LRE) market size is USD 745 billion (1,073 companies) representing 24% of global LRE markets. As the largest sub-region, Emerging Asia represents 73% (USD 547 billion, 791 companies) followed by Middle East (17%, USD 124 billion, 198 companies), Emerging Americas (8%, USD 56 billion, 55 companies) and Emerging Europe (2%, USD 17 billion, 29 companies).

Focusing on Emerging Americas (Brazil, Chile, Mexico), total LRE market size doubled in the last decade. It increased from USD 28 billion (39 companies) in 2013 to USD 56.4 billion (55 companies) as of June 2023. The total LRE market size of Emerging Americas represents 24% of total Emerging markets.

Emerging Americas : Evolution of Listed Real Estate



Source: EPRA Research (Total Markets Table reports). Data is compiled from Bloomberg (as of 30/06/2023).
Due to lack of data, FTSE EPRA Nareit Brazil index data is included instead of all listed real estate companies.

Market status reclassification (economic development, financial markets, stock exchange, etc.) and REIT regime support market development with regulations, such as the legal form of the companies' and requirements for listing (minimum capital, shareholder profile, etc.). These are key factors to compare with global LRE markets and ease access to emerging markets, translating into allocation to listed real estate companies. According to FTSE Russell country classification, the market status of Latin American markets is given in the table below:

Advanced Emerging	Secondary Emerging	Frontier
Brazil	Chile	Peru
Mexico	Colombia	

Source: FTSE Russel, FTSE Equity Country Classification, March 2023.
Note : Argentina was demoted from Frontier to Unclassified in 2020 and, Venezuela was deleted from all-world index series in 2003.

In terms of REITs, only Mexican REITs are qualified as their global peers. On the other hand, even though the exact term REIT does not exist in Brazil and Chile legislation, some special funds/vehicles are considered as REIT equivalents.

Country	Description	Year
Brazil	Fundo de Investimento Imobiliario (FII)	1993
Chile	Public Investment Funds (FI) and Private Investment Funds (FIP)	2014. 2020
Mexico	Fideicomisos de Inversión de Bienes Raíces (FIBRAS)	2004

Source: FTSE Russel, FTSE Equity Industry Classification Benchmark, REIT and REIT equivalent company structures, April 2023.

Fideicomisos de Inversión de Bienes Raíces (FIBRAS) were introduced in Mexico in 2004 to encourage real-estate investment following the same model as the US REITs (details on evolution of Mexican LRE in chapter IV). Indeed, Mexico represents the largest REIT market within the emerging markets with an estimated value of USD 25.9 billion, as of 30/06/2023 (EPRA, Total Markets Table Q2-2023). Total LRE market size is USD 31.3 billion with 25 companies, representing 6.7% of Mexican stock market.

In Chile, Public Investment Funds (FI) and Private Investment Funds (FIP) are regulated in 2014 with some modifications later. There are no funds equally structured such as REITs but rather Investment Funds with investments in companies which in turn have an investment in real estate assets in Chile. In terms of listed companies, there are 13 non-REITs with a combined Market cap of USD 7.9 billion representing 4.3% of stock market in Chile, as of 30/06/2023.

In Brazil, a special vehicle is called a 'Fundo de Investimento Imobiliário' (FII), which was introduced in 1993. As of April 2022, there were 710 FIIs in operation in Brazil with a net asset value in excess of BRL 176 billion (EPRA, Global REIT Survey 2022). Due to lack of data, market capitalisation data for Brazilian REIT market is not available. Based on FTSE Russel industry classification, there are 114 REITs and 25 non-REITs in Brazil, as of 30/06/2023.

The evolution of Emerging Americas markets is summarised in the table below:

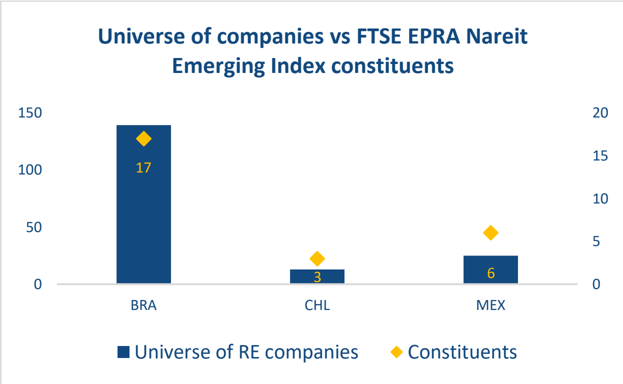
					as of 30/06/2023			
	Market Cap (USD, bln)		No of companies		Market Cap (USD, bln)		No of companies	
	2013	Jun-23	2013	Jun-23	REIT	Non-REIT	REIT	Non-REIT
Brazil*	*na*	*na*	59	139	*na*	13.97	114	25
Chile	1.68	7.93	10	13	-	7.93	-	13
Mexico	12.92	31.31	9	25	25.93	5.38	18	7

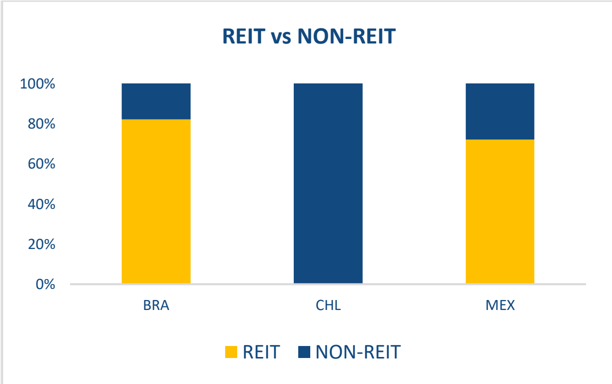
Source: EPRA Research (Total Markets Table reports). Data is compiled from Bloomberg.
(*) MCap for REITs in Brazil is not available.

Latin America is represented in the FTSE EPRA Nareit Emerging Index by three countries: Brazil, Chile, and Mexico. Over the past five years, the combined weight of these three countries in the FTSE EPRA Nareit Emerging Index has increased from 12.15% to 16.44%. Currently, the entire universe of real estate companies in Latin America is estimated to consist of 177 companies. Among them, Brazil boasts the largest number of companies in the region, with Mexico and Chile following. Notably, out of the 139 Brazilian real estate companies, only 17 are constituents of the FTSE EPRA Nareit Emerging Index, with a combined value of EUR 7,047 billion. However, it is important to consider that 49 out of those 139 companies in Brazil have not yet met the size threshold required for inclusion in the Index, indicating substantial potential for further growth. Furthermore, it is worth noting that 114 of those are FIIs (REITs). Brazilian REITs are structured as closed-end investment funds, allowed to raise capital through IPOs. However, Brazilian FII's shares can only be traded on a specific low liquidity section of the secondary market, and therefore they do not fall under the scope of the FTSE EPRA Nareit Emerging Index.

Mexico, as the second-largest economy in Latin America, has a total of 26 real estate companies. Among them, only 6 are currently part of the FTSE EPRA Nareit Emerging Index. Unlike Brazilian real estate companies, the main challenge for the Mexican ones is not their size but rather their liquidity. As a matter of fact, the primary obstacle preventing Mexican companies from joining the FTSE EPRA Nareit Emerging Index is their liquidity. Unlike Brazil, where the primary concern revolves around size, Mexico faces a distinct challenge: it needs to enhance investor's accessibility to the Mexican universe of RE companies.

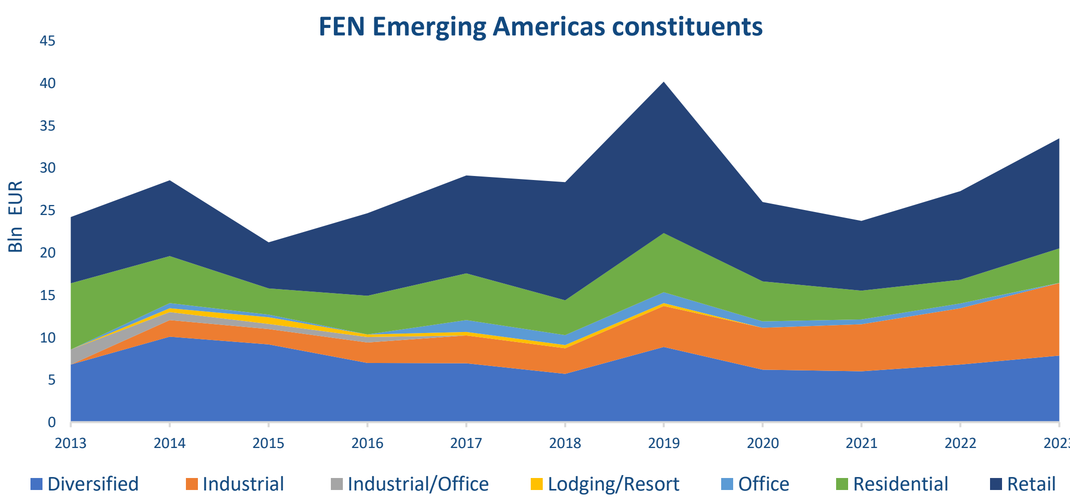
By overcoming this obstacle, Mexico could unlock the growth potential of its Listed Real Estate market and potentially increase the number of constituents from the country in the FTSE EPRA Nareit Emerging Index. The size of Mexican companies in the FTSE EPRA Nareit Emerging index, as a consequence, could potentially grow by over 70%, reaching a total Free-float market cap of EUR 18,055 million (EUR 10,395 million as of June 30th 2023). In terms of REIT regimes, it is important to highlight that the Chilean investment landscape primarily comprises investment funds that invest in companies with real estate assets, while both Brazil and Mexico have well-established REIT regimes.





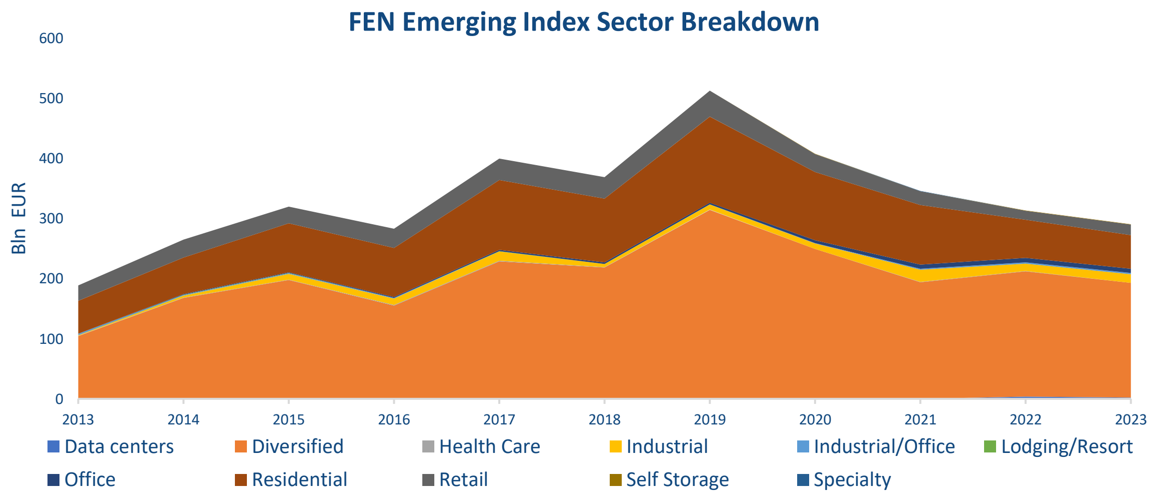
Source: EPRA

Sector-wise, the Latin American region has seen a shift over the last decade: from a predominance of the Retail and Residential sectors to a predominance of the Industrial one, which has now reached a value of EUR 8,539 million.



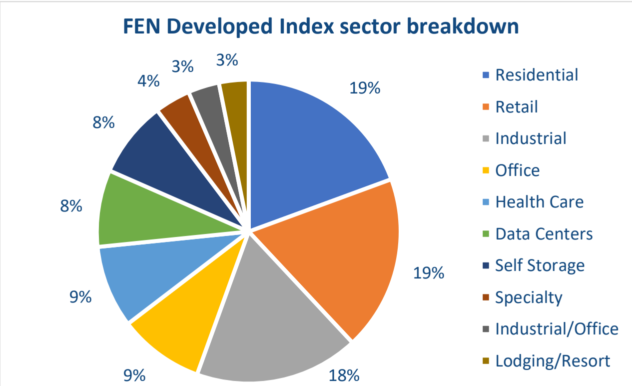
Source: EPRA

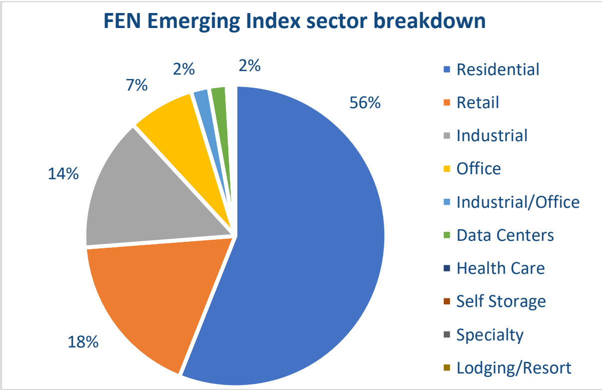
Taking a wider view of the emerging market within the FTSE EPRA Nareit emerging market index, the main focus lies on the residential sector, which holds a market cap of EUR 55 billion as of June 2023, representing 19.21% of the total market. Moreover, most of the companies within the index are diversifying their investments across multiple sectors without a specific area of expertise. This diversification amounts to over 75% of rental income coming from one sector in the FTSE EPRA Nareit Emerging Index, of which these companies represent approximately 65.7%.



Source: EPRA

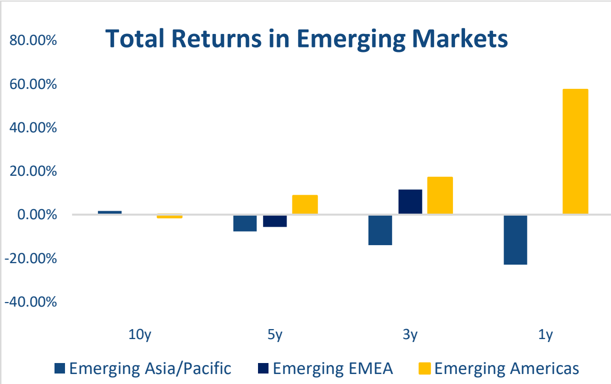
Upon a more focused analysis on the developed markets, excluding the diversified companies, a clear pattern can be observed, showing various opportunities for expansion in new sectors for emerging markets. For instance, the Industrial & Logistics as well as the Data Centers sectors have experienced a robust growth in recent years, which can represent an area of expansion for the Latin American region.

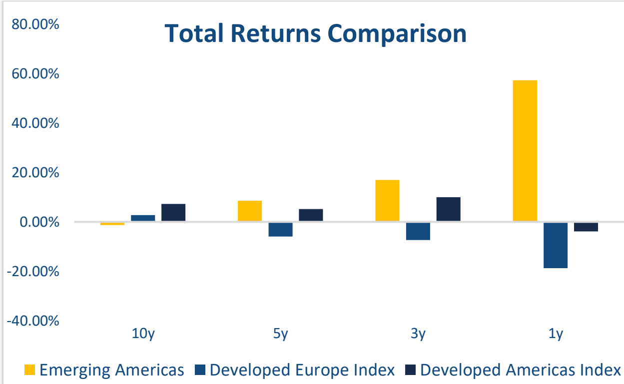




Source: EPRA

As mentioned earlier, it is important to highlight that the Latin American region accounts for 16.44% of the Emerging Index and has demonstrated superior performance over the past 5 years when compared to both the Asia Pacific and EMEA Emerging indexes. This positive trend strongly reflects the growing trust and confidence that investors are placing in the Emerging Americas market.

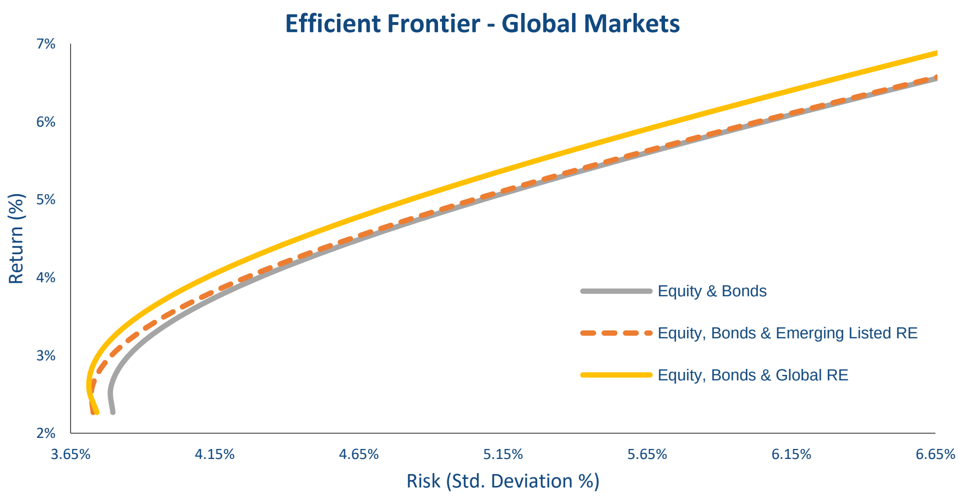




Source: EPRA

When analysing the broader perspective and evaluating the performance of the FTSE EPRA Nareit Emerging Americas index against the Developed Americas and Europe indexes, interesting results get highlighted. As illustrated in the graph above, it becomes evident that, over a 5-year timeframe, the FTSE EPRA Nareit Emerging Americas Index significantly outperformed the other two indexes, achieving a Total Return of 8.51%. This remarkable performance also offers diversification opportunities from an asset allocation angle.

When observing the efficient frontiers represented in the graph below, which illustrates the best combinations of risk and return, the benefit of adding Emerging companies to a portfolio is evident. As we move along the curve, it is observable that incorporating a portion of listed property companies from emerging countries, progressively enhances portfolio performance. Furthermore, as we incorporate property companies from both Developed and Emerging markets, the portfolio's performance receives additional advantages through diversification, leading to elevated returns and risk mitigation. To conclude, this approach towards diversification not only holds the potential for greater returns but also aids in reducing overall portfolio risk. **Therefore, the inclusion of listed property companies from Emerging and Developed markets in the asset allocation exercise represents a significant opportunity for diversification, increasing the expected returns and enhancing the risk-return profile of the investment portfolios.**



Source: EPRA

V. Bibliography

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