

What is a REITs and InvITs Index?

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About REITs and InvITs Index:

- The new index aims to track the performance of REITs and InvITs that are publicly **listed and traded on the NSE.**
- **Base year:** 1 July 2019
- The index will be reviewed and **rebalanced every quarter.**
- The weights of securities within the index are based on their **free-float market capitalization**, subject to a security cap of 33% each and the aggregate weight of top-3 securities is capped at 72%.
- The top constituents of the Nifty Reits & InvITs index include Embassy Office Parks Reit, Powergrid Infrastructure Investment etc.

What are REITs?

- It is a **company** that owns, operates, or finances **income-generating real estate.**
- Most of them **are publicly traded like stocks**, which makes them highly liquid (unlike physical real estate investments).
- It is modelled after mutual funds; REITs pool the capital of numerous investors.
- This makes it possible for individual investors to earn dividends from real estate investments—without having to buy, manage, or finance any properties themselves.

What are InvITs?

- These are mutual fund-like institutions that enable investments into **the infrastructure sector** by pooling small sums of money from a multitude of individual investors for directly investing in infrastructure
 - These are set up as a trust and **registered with SEBI**.
 - An InvIT has 4 parties Trustee, Sponsor(s) and Investment Manager and Project Manager
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Q1) What is the Securities and Exchange Board of India?

It is the regulatory body that oversees the securities market in India. SEBI was established in 1988 as a non-statutory body and was given statutory powers in 1992 with the passing of the Securities and Exchange Board of India Act.

Source: [NSE launches India's first Reits and InvITs Index](#)

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