

GROUND RULES FOR THE MANAGEMENT OF THE FTSE EPRA/NAREIT DIVIDEND+ INDEX SERIES



EPRA



SECTION 1

1.0 INTRODUCTION

- 1.1 This methodology is to be read in conjunction with the FTSE EPRA/NAREIT Global Real Estate Index Series Ground Rules, which are available at www.ftse.com.
- 1.2 The FTSE EPRA/NAREIT Dividend+ Index Series is designed to measure the performance of higher yielding stocks within the universe of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- 1.3 The FTSE EPRA/NAREIT Global Real Estate Index Series is structured in such a way that it represents general trends in all eligible real estate stocks world-wide. The Index Series is designed to reflect the stock performance of companies engaged in specific aspects of the real estate markets as perceived by institutional investors. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate.
- 1.4 The FTSE EPRA/NAREIT Dividend+ Index Series comprises of the following indices: -
- FTSE EPRA/NAREIT Global Dividend+ Index
 - FTSE EPRA/NAREIT Europe ex UK Dividend+ Index
 - FTSE EPRA/NAREIT Asia Dividend+ Index
 - FTSE EPRA/NAREIT US Dividend+ Index
- 1.5 The FTSE EPRA/NAREIT Dividend+ Index Series is based on the developed markets of the FTSE EPRA/NAREIT Global Real Estate Index Series excluding Greece.
- 1.6 The indices are calculated on a real-time basis every 15 seconds (see Section 4 below).

SECTION 2

2.0 ANNUAL REVIEW OF CONSTITUENT COMPANIES

2.1 The FTSE EPRA/NAREIT Dividend+ Index Series is reviewed on an annual basis in September in line with the quarterly review of the FTSE EPRA/NAREIT Global Real Estate Index Series.

2.2 Annual Review (Data Cut-off Date)

2.2.1 The annual review will use data based on the last working day of August, taking into account constituent changes in the September quarterly review of the FTSE EPRA/NAREIT Global Real Estate Index Series.

2.3 Annual Review (Implementation Date)

2.3.1 The annual review will be implemented in September after the close of trading on the third Friday, in line with the FTSE EPRA/NAREIT Global Real Estate Index Series.

2.4 Review Methodology

2.4.1 Within each review universe constituents that have a forecast/estimate one-year dividend yield (see Rule 2.5) of two per cent or greater are eligible for inclusion into the Index Series. If a forecast/estimate one-year dividend yield is not available, FTSE's historical dividend yield data is used.

2.4.2 The FTSE EPRA/NAREIT Dividend+ Index Series constituents are not fixed at review so can change in number prior to the next annual review.

2.4.3 The FTSE EPRA/NAREIT Dividend+ Index Series constituents are screened for liquidity in line with the FTSE EPRA/NAREIT Global Real Estate Index Series review.

2.4.4 Adjustments in stock weightings (including free float and shares in issue) will be in line with the FTSE EPRA/NAREIT Global Real Estate Index Series.

2.5 Forecast/Estimate One-year Dividend Yields

2.5.1 The dividend yield data used in the review calculation is based on one-year dividends per share forecast/estimates from I/B/E/S. For the review universe constituents that do not have this information, FTSE's historical dividend yield data is used. To be able to rank the review universe the one-year dividends per share forecast/estimates are divided by the underlying FTSE stock price at the review data cut-off date.

SECTION 3

3.0 INTRA-REVIEW CONSTITUENT CHANGES

3.1 Intra-review Additions

3.1.1 Additions into the Index Series will only be applied at the annual review in September.

3.2 Intra-review Deletions

3.2.1 A constituent will be removed from the FTSE EPRA/NAREIT Dividend+ Index Series if it is also removed from the underlying FTSE EPRA/NAREIT Global Real Estate Index Series.

3.3 If a constituent is acquired by a non-constituent, it will be removed from the relevant FTSE EPRA/NAREIT Dividend+ Index. If a constituent merges with another constituent, or in the event of a complex reorganisation, or demerger (spin-off), the company will remain eligible for inclusion into the FTSE EPRA/NAREIT Dividend+ Index, providing the new entity is included into the FTSE EPRA/NAREIT Global Real Estate Index Series.

3.4 Treatment of suspended companies will be in line with the FTSE EPRA/NAREIT Global Real Estate Index Series.

SECTION 4

4.0 CALCULATION METHODOLOGY

- 4.1 The FTSE EPRA/NAREIT Dividend+ Index Series is calculated using the same methodology as the FTSE EPRA/NAREIT Global Real Estate Index Series.
- 4.2 The FTSE EPRA/NAREIT Global Dividend+ Index, the FTSE EPRA/NAREIT Asia Dividend+ Index and the FTSE EPRA/NAREIT US Dividend+ Index will be calculated in US dollars on a real-time basis every 15 seconds.
- 4.3 The FTSE EPRA/NAREIT Europe ex UK Dividend+ Index will be calculated in Euro on a real-time basis every 15 seconds.
- 4.4 A Euro, Sterling, US Dollar and Japanese Yen index value will also be calculated on an end-of-day basis for each Index.
- 4.5 The FTSE EPRA/NAREIT Dividend+ Index Series are calculated on a real time basis and may exist in the following states.
- a) Firm
 - i. The indices are being calculated during Official Market Hours. No message will be displayed against the index value.
 - ii. The Official Closing Price for the FTSE EPRA/NAREIT Dividend+ Index Series will be the Exchange Official Closing Price for each relevant market.
 - b) Closed

The indices have ceased all calculations for the day. The message 'CLOSE' will be displayed against the index value calculated by FTSE.
 - c) Held

During Official Market Hours, an index has exceeded pre-set operating parameters and the calculation has been suspended pending resolution of the problem. The message 'HELD' will be displayed against the last index value calculated by FTSE.
 - d) Indicative

If there is a system problem or situation in the market that is judged to affect the quality of the constituent prices at any time when an index is being calculated, the index will be declared indicative (e.g. normally where a 'fast market' exists in the equity market). The message 'IND' will be displayed against the index value calculated by FTSE.
 - e) Part

If the index is being calculated during the normal Official Index Period hours, but there are less than 75% of the constituents by capitalisation available with firm prices, then the index will be displayed with the message 'PART' to indicate that only a proportion of the securities prices are included. With the exception of the message 'PART', the index will continue to be calculated and displayed as if it was firm.

SECTION 5

5.0 INDEX OPENING AND CLOSING TIMES

	OPEN	CLOSE
FTSE EPRA/NAREIT Global Dividend+ Index	00.30	21.10
FTSE EPRA/NAREIT Europe ex UK Dividend+ Index	08.00	16.30
FTSE EPRA/NAREIT Asia Dividend+ Index	00.30	13.30
FTSE EPRA/NAREIT US Dividend+ Index	14.30	21.10

Notes:

Closing values at 21:10 will be disseminated at 21:30.

Timings are UK hours.

During Real Time calculations, Reuters Spot rates are used in calculating Foreign Exchange rates.

SECTION 6

6.0 FURTHER INFORMATION

For further information on the FTSE EPRA/NAREIT Dividend+ Index Series please visit www.ftse.com or e-mail info@ftse.com.

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