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Section 1

Introduction

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.ftserussell.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 worldwide. 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, trading and development of income-producing real estate.

1.4 The FTSE EPRA Nareit Dividend+ Index Series comprises of the following indexes:
- 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 indexes are calculated on a real-time basis every 15 seconds.

1.7 IOSCO

1.7.1 FTSE considers that the FTSE EPRA Nareit Dividend+ Index Series meets the IOSCO Principles for Financial Benchmarks as published in July 2013.

1.8 FTSE Russell

1.9 FTSE Russell hereby notifies users of the index that it is possible that factors, including external factors beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

1.10 Index users who choose to follow this index or to buy products that claim to follow this index should assess the merits of the index’s rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell or any members of the FTSE EPRA Nareit Global Index Advisory Committee (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules, and/or
- any errors or inaccuracies in these Ground Rules, and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
- any errors or inaccuracies in the compilation or any constituent data in the Index.
Section 2

Management Responsibilities

2.0 Management Responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series and will:

• maintain records of the index weightings of all constituents;
• make changes to the constituents and their weightings in accordance with the Ground Rules;
• carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
• publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
• disseminate the indexes.

2.2 EPRA and Nareit

2.2.1 EPRA and Nareit are responsible for conducting the analysis of financial statement related eligibility tests including the EBITDA test for potential and current constituents in order to establish their eligibility for inclusion in the FTSE EPRA Nareit indexes and their allocation to the emerging and developed sub-series. EPRA and Nareit will also determine a constituent’s Investment Focus segment and classify each constituent by Property Sector.

2.2.2 EPRA and Nareit also provide research, guidance and clarification with respect to certain aspects of the structure, operations and financial reporting of companies that may bear on their index eligibility, as well as to regulatory requirements pertaining to certain companies that may restrict some investment organizations from investing in such companies and the equity indexes that include them as constituents.

¹ The term administrator is used in this document in the same sense as it is defined in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the European Benchmark Regulation).
2.3 FTSE EPRA Nareit Supervisory Committee

2.3.1 The FTSE EPRA Nareit Global Real Estate Index Supervisory Committee has been established to oversee a consistent approach to the global development of the FTSE EPRA Nareit Index Series.

2.3.2 The Terms of Reference of the FTSE EPRA Nareit Global Real Estate Index Supervisory Committee are set out on the FTSE Russell website.

2.4 Advisory Committees

2.4.1 To assist in the oversight of the indexes three FTSE EPRA Nareit regional committees have been established.

- The FTSE EPRA Nareit Asia Index Advisory Committee
- The FTSE EPRA Nareit EMEA Index Advisory Committee
- The FTSE EPRA Nareit Americas Advisory Committee

The Terms of Reference of the FTSE EPRA Nareit Advisory Committees are set out on the FTSE Russell website.

2.5 FTSE is responsible for the day-to-day management of the FTSE EPRA Nareit Global Real Estate Index Series and for decisions regarding the interpretation of these ground rules.

2.6 Amendments to these Ground Rules

2.6.1 These Ground Rules shall be subject to regular review by FTSE Russell to ensure that they continue to best reflect the aims of the index series. The review process will include consultation on any proposed changes with the relevant FTSE EPRA Nareit Regional Advisory Committee.

2.6.2 As provided for in the Statement of Principles, where FTSE Russell or the FTSE EPRA Nareit Regional Advisory Committee determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Rules should subsequently be updated to provide greater clarity.

2.7 Status of These Ground Rules

2.7.1 These Ground Rules set out the methodology and provide information about the publication of the FTSE EPRA Nareit Dividend+ Index Series.
Section 2

FTSE Russell Index Policies

3.0 FTSE Russell Index Policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below:

3.1 Statement of Principles for FTSE Russell Equity Indexes (the Statement of Principles)

3.1.1 Indexes need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles which summarises the ethos underlying FTSE Russell’s approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE are presented to the FTSE Russell Policy Advisory Board for discussion before approval by the FTSE Russell Product Governance Board.

The Statement of Principles can be accessed using the following link:


3.2 Queries, Complaints and Appeals

3.2.1 A constituent or prospective constituent company (or professional advisor acting on behalf of the company), a national organisation or a group of no fewer than ten users of the Indexes from different organisations acting in their professional capacity may appeal against decisions taken by FTSE Russell.

FTSE Russell’s complaints procedure can be accessed using the following link:

Benchmark_Determination_Complaints_Handling_Policy.pdf

FTSE Russell’s Appeal Process can be accessed using the following link:

Appeals_Against_Decisions.pdf

3.3 Index Policy for Trading Halts and Market Closures

3.3.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

Index_Policy_for_Trading_Halts_and_Market_Closures.pdf
3.4 **Index Policy in the Event Clients are Unable to Trade a Market**

3.4.1 Details of FTSE Russell’s treatment can be accessed using the following link:

[Index_Policy_in_the_Event_Clients_are_Unable_to_Trade_a_Market.pdf](Index_Policy_in_the_Event_Clients_are_Unable_to_Trade_a_Market.pdf)

3.5 **Recalculation Policy and Guidelines**

3.5.1 The FTSE EPRA Nareit Dividend+ Index Series are recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE EPRA Nareit Dividend+ Index Series are notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation_Policy_and_Guidelines_Equity_Indexes.pdf](Recalculation_Policy_and_Guidelines_Equity_Indexes.pdf)

3.6 **Policy for Benchmark Methodology Changes**

3.6.1 Details of FTSE Russell’s policy for making benchmark methodology changes can be accessed using the following link:

[Policy_for_Benchmark_Methodology_Changes.pdf](Policy_for_Benchmark_Methodology_Changes.pdf)
Section 4

Annual Review of Constituent Companies

4.0 Annual Review of Constituent Companies

4.1 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.

4.2 Annual review (Data cut-off date)

4.2.1 The annual review will use data based on the close of business on the Wednesday before the first Friday of September, taking into account constituent changes in the September quarterly review of the FTSE EPRA Nareit Global Real Estate Index Series.

4.3 Annual review (Implementation date)

4.3.1 The annual review will be implemented in September after the close of business on the third Friday (i.e. effective Monday), in line with the FTSE EPRA Nareit Global Real Estate Index Series.

4.4 Review methodology

4.4.1 Within each review universe constituents that have a forecast/estimate one-year dividend yield (see Rule 4.5) 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 Russell’s historical dividend yield data is used.

4.4.2 If a constituent of the index has a forecast/estimated dividend yield of less than two per cent then it will be ineligible for inclusion and will be deleted from the index.

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

4.4.4 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.

4.4.5 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.

4.5 Forecast/Estimate One-year Dividend Yields

4.5.1 The dividend yield data used in the review calculation is based on one-year dividends per share forecast/estimates from Thomson Reuters I/B/E/S. For the review universe constituents that do not have this information, FTSE Russell’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. Thomson Reuters I/B/E/S data will be taken from the close of business on the Thursday before the third Friday of August.
Section 5

Intra-review Constituent Changes

5.0 Intra-review Constituent Changes

5.1 Intra-review Additions

5.1.1 Outside of events covered in Rule 5.3 below, additions into the Index Series will only be applied at the annual review in September.

5.2 Intra-review Deletions

5.2.1 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.

5.3 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 new entity or new company will remain eligible for inclusion into the FTSE EPRA Nareit Dividend+ Index, providing that it is included in the FTSE EPRA Nareit Global Real Estate Index Series.

5.4 Treatment of suspended companies will be in line with the FTSE EPRA Nareit Global Real Estate Index Series.
Section 6

Calculation Methodology

6.0 Calculation Methodology

6.1 The FTSE EPRA Nareit Dividend+ Index Series is calculated using the same methodology as the FTSE EPRA Nareit Global Real Estate Index Series.

6.2 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.

6.3 The FTSE EPRA Nareit Europe ex UK Dividend+ Index will be calculated in Euro on a real-time basis every 15 seconds.

6.4 A Euro, Sterling, US Dollar and Japanese Yen index value will also be calculated on an end-of-day basis for each Index.
Section 7

Index Opening and Closing Times

7.0 Index Opening and Closing Times

<table>
<thead>
<tr>
<th>Index</th>
<th>Open</th>
<th>Close</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE EPRA Nareit Global Dividend+ Index</td>
<td>00:30</td>
<td>21:10</td>
</tr>
<tr>
<td>FTSE EPRA Nareit Europe ex UK Dividend+ Index</td>
<td>08:00</td>
<td>16:30</td>
</tr>
<tr>
<td>FTSE EPRA Nareit Asia Dividend+ Index</td>
<td>00:30</td>
<td>13:30</td>
</tr>
<tr>
<td>FTSE EPRA Nareit US Dividend+ Index</td>
<td>14:30</td>
<td>21:10</td>
</tr>
</tbody>
</table>

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.
Appendix A: Status of Indexes

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 indexes 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 indexes have ceased all calculations for the day. The message 'CLOSE' will be displayed against the index value calculated by FTSE Russell.

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 Russell.

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 Russell.
Appendix B: Further Information

A Glossary of Terms used in FTSE Russell’s Ground Rule documents can be found using the following link: 
Glossary.pdf

Further information on the FTSE EPRA Nareit Dividend+ Index Series is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell Client Services at info@ftserussell.com.

Website: www.ftserussell.com


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