

FAQ



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# FTSE EPRA/NAREIT Index Series

Index Review Reference Data cut-off dates for 2016

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# FTSE EPRA/NAREIT Index Series Review Schedule 2016

## FTSE EPRA/NAREIT Index Series Review Schedule 2016

	Quarterly Review March 2016	Quarterly Review June 2016	Quarterly Review September 2016	Quarterly Review - December 2016
Index Rebalance data cut-off Date <sup>1</sup>	22 February 2016	23 May 2016	22 August 2016	21 November 2016
ICB Review Cut-Off Date	12 February 2016	13 May 2016	12 August 2016	11 November 2016
Quarterly Free float changes cut-off (only updates captured up to this date will be processed at the index review) <sup>2</sup>	17 February 2016	18 May 2016	17 August 2016	16 November 2016
Quarterly 1% SII changes cut-off (only updates captured up to this date will be processed at the index review) <sup>2</sup>	17 February 2016	18 May 2016	17 August 2016	16 November 2016
Release of <b>Indicative</b> Files (FF & 1% SII updates)	24 February 2016	25 May 2016	24 August 2016	23 November 2016
Release of <b>Final</b> Files (FF & 1% SII updates) - incorporates any revisions to indicative file	2 March 2016	1 June 2016	31 August 2016	30 November 2016
Semi-Annual Liquidity Testing Period <sup>3</sup>	2 January 2015 to 31 December 2015	N/A	1 July 2015 to 30 June 2016	N/A
Quarterly IPO Liquidity Testing Period <sup>4</sup>	IPO date to 22 February 2016	IPO date to 23 May 2016	IPO date to 22 August 2016	IPO date to 21 November 2016
IPO Review Period in order to meet 20 day trading requirement <sup>5</sup>	27 October 2015 to 26 January 2016	27 January 2016 to 26 April 2016	27 April 2016 to 26 July 2016	27 July 2016 to 25 October 2016
Committee Meetings (Three regional meetings on the one day) <sup>6</sup>	3 March 2016	2 June 2016	1 September 2016	1 December 2016

FTSE Notice of Regional Changes Circulated (Three notices, one after each regional committee meeting)	3 March 2016	2 June 2016	1 September 2016	1 December 2016
Review Products circulated	3 March 2016	2 June 2016	1 September 2016	1 December 2016
Review Effective Date 7	21 March 2016	20 June 2016	19 September 2016	19 December 2016



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### 1.0 Data cut-off dates for the quarterly reviews

#### **March review**

Data cut-off will be the Monday four weeks prior to the review effective date, being 22<sup>nd</sup> February 2016.

#### **June review**

Data cut-off will be the Monday four weeks prior to the review effective date, being 23<sup>rd</sup> May 2016.

#### **September review**

Data cut-off will be the Monday four weeks prior to the review effective date, being 22<sup>nd</sup> August 2016.

#### **December review**

Data cut-off will be the Monday four weeks prior to the review effective date, being 21<sup>st</sup> November.

## 2.0 Quarterly Free Float and 1% Shares In Issue Changes

The cut-off for quarterly 1% shares in issue and free float changes will be the **third Wednesday of the month prior to** March, June, September and December.

**For illustration purposes:** for the March 2016 quarterly review, the cut off date for 1% shares in issue and free float changes will be Wednesday 17 February 2016.

Timing of free float and share changes which breach the rules if announced after the above cut-off date

Any corporate event driven free float or share change (e.g. resulting from equity offering or secondary placing) will be processed as per sections 2.7 and 2.6 respectively in the Corporate Actions and Events guide, available at:

[http://www.ftse.com/products/downloads/Corporate\\_Actions\\_and\\_Events\\_Guide.pdf](http://www.ftse.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf)

## 3.0 Liquidity testing period

A full 12 month liquidity test will be conducted in both the March and September quarterly reviews.

**Testing periods:**

Review Month	Liquidity testing period
March	First business day of January to last business day of December
September	First business day of July to last business day of June

**For illustration purposes:** Liquidity testing period for the March 2016 review will be from 2 January 2015 to 31 December 2015.

New issues will continue to be required to have a minimum 20 day trading record when reviewed. See section 4 for details.

## 4.0 Quarterly IPO Liquidity testing period

IPOs which failed to qualify as fast entrants will be reviewed at the subsequent quarter since listing. IPOs are required to have a 20 day trading record, the period will run up to the Monday four weeks prior to the review effective date. Liquidity will be tested over the date ranges shown below on a pro-rata basis.

Review Month	IPO period assessed
March 2016	Date of IPO – 22 February 2016
June 2016	Date of IPO – 23 May 2016
September 2016	Date of IPO – 22 August 2016
December 2016	Date of IPO – 21 November 2016

## 5.0 IPO cut-off date in order to meet minimum 20 days trading requirement

Review Month	Minimum IPO listing date
March 2016	26 January 2016
June 2016	26 April 2016
September 2016	26 July 2016
December 2016	25 October 2016

**For illustration purposes:** For the March 2016 review the cut-off date for index data is 22 February 2016. However, only those IPOs with 20 days liquidity as at 22 February 2016 will be considered for index inclusion in March 2016. Therefore in order to meet the minimum 20 days trading requirement an IPO would need to have listed by 26 January 2016.

## 6.0 Regional Advisory Committee meetings

There are three Regional FTSE EPRA/NAREIT Advisory Committees covering Asia, EMEA and the Americas that meet quarterly on the Thursday before the first Friday in March, June, September and December. The purpose of the Regional Committees is to provide a forum for FTSE to interact with index users and other stakeholders with a view to enhancing the underlying methodologies of FTSE real estate indices.

## 7.0 Rebalance effective date?

The effective date will be from the open on Monday following the third Friday of March, June, September and December.

## 8.0 Impact of Country Reclassification Changes

FTSE classifies countries included in its global indexes into one of three categories: Developed, Advanced Emerging and Secondary Emerging.

FTSE conducts an annual review of all countries currently included in its global indexes and those countries being considered for inclusion, the results released in September of each year. A notice period of at least six months is given before changing the classification of any country.

Below we illustrate the review process incorporating a country classification change.

The following should be read in conjunction with the FTSE EPRA/NAREIT Global Real Estate Index Series Ground Rules.

## **Review Process – Defining Regional Universe**

The FTSE EPRA/NAREIT Global Real Estate Index Series is divided into Developed and Emerging sub-series with countries grouped in the following regions for the purpose of the reviews:

- Americas
- Asia
- EMEA (Europe, Middle East & Africa)

The Nationality and regional allocation of a company will generally be the same as allocated by FTSE in the FTSE Global Equity Index Series subject to the contribution of total annual EBITDA.

**For illustration purposes:** Greece will be reclassified from Developed to Advanced Emerging as of the March 2016 review effective date and therefore in the review process Greece will be included in the Emerging EMEA regional universe and excluded from the Developed EMEA regional universe.

## **Size and Investable Market Capitalisation tests**

The basis point levels based on the respective regional indexes to determine eligibility for non-constituents will be calculated based on the respective regional index as of cut-off date.

**For illustration purposes:** for the March 2016 semi-annual review, the basis point threshold for inclusion to the EMEA Emerging Index will be calculated based on the index as of Monday 4 weeks prior to the effective date which will exclude Greece.

## **Liquidity**

For the purposes of liquidity an existing EPRA/NAREIT constituent will remain considered as a constituent following a country reclassification. As such, based on a constituent's median daily trading volume per month, it must turnover at least 0.04% of its shares in issue (after the application of any free float weightings) for at least eight of the twelve months prior to a full market review.

In the case of a newly eligible country entering the FTSE EPRA/NAREIT index (for example moving from FTSE Frontier), stocks will be considered as non-constituents. As such, based on a non-constituent's median daily trading volume per month, it must turnover at least 0.05% of its shares in issue (after the application of any free float weightings) for at least ten of the twelve months prior to a full market review.

**For illustration purposes:** existing Developed EMEA Greek constituents will be treated as current constituents for the purposes of the Emerging EMEA liquidity test in March 2016. Qatari constituents in FTSE Frontier will be treated as non-constituents for the purposes of the FTSE EPRA/NAREIT liquidity test in September 2016.





## Further Information

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If you have any questions and would like to speak to a client services individual directly, please do not hesitate to contact us on the numbers below, or via email at [info@ftse.com](mailto:info@ftse.com).

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