



FTSE Ground Rule Changes FTSE EPRA/NAREIT Global Real Estate Index Series

03 October 2011

The FTSE EPRA/NAREIT Global Advisory Group and Regional Committees have agreed that the Nationality rule be revised for eligibility in the FTSE EPRA/NAREIT Global Real Estate Index Series.

Nationality of a real estate company will generally be the same as that allocated by FTSE in the construction of the FTSE Global Equity Index Series, with additional criteria which is driven by where the majority of EBITDA is generated.

These rules will come into effect in March 2012.

New rule:

The FTSE EPRA/NAREIT Global Real Estate Index Series is divided into Developed and Emerging sub-series. Assignment of companies to the sub-series is made according to the following criteria:

- a) New constituents will be classified as Developed if greater than 75 percent of their total EBITDA is from Developed Markets as classified by the FTSE Country Classification Committee. Otherwise the constituent will be classified as Emerging.
- b) For existing constituents, EBITDA buffers are implemented to reduce the frequency of changes between the sub-series.
 - Existing Developed series constituents will move to the Emerging series if their total EBITDA from Developed markets decreases to less than 62.5 percent.
 - Existing Emerging series constituents will move to the Developed series if their total EBITDA from Developed markets increases to greater than 75 percent.

For the purposes of creating local and regional indices the following criteria are used to determine the nationality and regional allocation of a company:

The Nationality of a company will generally be the same as that allocated by FTSE in the construction of the FTSE Global Equity Index Series except where this would be inconsistent with the allocation of the company to the Developed and Emerging sub-series as provided for in the above rule. In this eventuality, the Nationality of a company in the Developed sub-series will be determined by the Developed country, and in the case of an Emerging sub-series constituent the Emerging country, that contributed most to the company EBITDA as evidenced by the company's most recent financial report.

Company Nationality assignments are subject to the approval of the EPRA/NAREIT regional committees.

The regional allocation of a company will be determined by its Nationality.

For more information on Nationality please refer to the FTSE Global Equity Index Series Ground Rules.

A number of non-constituents may become eligible, from March 2012, upon introduction of the revised Nationality rule. A provisional list of real-estate companies to be considered as part of the March 2012 Quarterly review is shown below:

C C Land Holdings Limited	Centraland
Central China Real Estate Ltd	Fantasia
China Aoyuan Property Group Limited	Atrium
Evergrande Real Estate Group Limited	Orco
Franshion Properties (China) Limited	TK development
Greentown China Holdings Limited	VGP
Hong Long Holdings Ltd	Indiabulls Properties Investment Trust
Hopefluent Group Holdings Ltd	Ascendas iTrust
Longfor Properties Co. Ltd.	First REIT
Mingfa Group (International) Co Ltd	Immofinanz
Powerlong Real Estate Holdings Limited	Eastern property Holdings
Shenyang Public Utility Holdings Co. Ltd	Plaza Centers
Sino-Ocean Land Holdings Limited	Raven Russia
SPG Land (Holdings) Limited	Ruric

As per the notice of 17 March 2011, the 'Red Chips' in the FTSE EPRA/NAREIT Global Real Estate Index Series, which have remained in Hong Kong (Developed) since September 2009, will still move to China (Emerging) in March 2012.

The three 'Red Chips' stocks which are due to be reclassified as China as part of the March 2012 Quarterly review, are:

1. China Overseas Land & Inv (6192150)
2. China Resources Land (6193766)
3. Shenzhen Investment

A further notice will be released in December 2011 and an updated version of the FTSE EPRA/NAREIT Global Real Estate Index Series Ground Rules will be available from March 2012.

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