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FTSE EPRA Nareit Global Real Estate Index Series - Ground Rule Update

23 May 2024

FTSE Russell would like to inform clients of the following updates to the FTSE EPRA Nareit Global Real Estate Index Series, effective immediately.

Appendix 4: Defining the eligible universe - update in bold

4.9 The EBITDA Test - Existing Constituents

4.9.1 To gain membership of the index, existing constituents will have passed the criteria set out in rule 4.8. To retain their index membership existing constituents must generally adhere to the same conditions as prospective constituents, but with the following exceptions:

- i) Constituents which drop below 75% (but remain at 65% or above) of EBITDA derived from eligible real estate activities will have a further year to meet the 75% threshold. Constituents that report less than 65% of their total EBITDA from relevant real estate activities will be removed without the additional one year grace period.
- ii) **The 50% threshold of total EBITDA coming from traditional real estate activities (rule 4.8.1) is reduced to 40% for existing constituents. i.e To be removed from the index a constituent would derive less than 40% of its eligible EBITDA from traditional real estate activities).**
- iii) If an existing constituent does not provide enough detail to make a clear determination on eligible EBITDA, it will be given a one year grace period to provide that detail in its next annual report. If insufficient detail is provided in two successive annual reports, the constituent will no-longer be eligible for the index.

Some formatting changes have also been made to the Ground Rules to help clarify the rules.

An updated copy of the FTSE EPRA Nareit Global Real Estate Index Series (v12.0) is now available using the following link: [ftse-epra-nareit-global-real-estate-index-series-ground-rules.pdf](https://www.ftserussell.com/ftse-epra-nareit-global-real-estate-index-series-ground-rules.pdf)

or on the FTSE Russell website: <http://www.lseg.com/en/ftse-russell/>

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