

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

03 November 2022

FTSE Russell would like to inform clients of the following clarifications to the FTSE EPRA Nareit Global Real Estate Index Series Ground Rules which is effective immediately.

Section 4: Eligibility Criteria

New Rules

4.3A has been updated as shown in bold below

The Initial Universe of companies consists of companies with the following ICB Classifications: ICB Real Estate (Industry 35), ICB Home Construction (Sector 40202010) and ICB Storage Facilities (Subsector 40201050).

The universe may also include companies with the following ICB Classifications:

- Closed End Investments (Subsector 30204000) if the majority of revenue is derived from Real Estate activities.
- **Computer Services (Subsector 10101010) if the majority of the company's revenue comes from owning or operating a Data Center business**

Rule 4.5 - New Rule

Prospective constituents must have derived, in the previous full financial year, at least 75% of their total EBITDA from relevant real estate activities. Existing constituents that drop below 75% (but remain at 65% or above) 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.

Rule 4.5 - Old Rule

Real estate companies must have derived, in the previous full financial year, at least 75% of their total EBITDA from relevant real estate activities.

Section 5: Qualification Criteria and Periodic Review of Constituents

Rule 5.1.1 - New Rule

The FTSE EPRA Nareit Global Real Estate Index Series is reviewed on a quarterly basis in March, June, September and December. The review is based on data as at the close of business of the Monday 4 weeks prior to the review effective date, this is the index review cut-off date.

Rule 5.1.1 - Old Rule

The FTSE EPRA Nareit Global Real Estate Index Series is reviewed on a quarterly basis in March, June, September and December. The review is based on data as at the close of business of the Monday 4 weeks prior to the review effective date. The results of the periodic review will be shown to the FTSE

EPRA Nareit Global Real Estate Index Series Regional Advisory Committees at their quarterly meeting.

An updated copy of the FTSE EPRA/NAREIT Global Real Estate Index Series Ground Rules (Version 11.4) is now available on the FTSE Russell website: www.ftserussell.com

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