



Further to the FTSE notice released on 25 October 2016 in relation to the demerger of Quality Care Properties from HCP the spin-off will be treated as a dividend distribution and will be liable to Withholding Tax calculated on the Quality Care Properties when-issued close price on the cum date (i.e. the open price of Quality Care Properties on the ex-date).

To accommodate this event in the net-of-tax indices, FTSE proposes to make an estimated xd adjustment in the calculation of the total return indices on November 1, 2016. This adjustment will be made to reflect the net value received, on average, by taxable investors.

Clients should note that this treatment will be applied to all total return indices, and not just the net-of-tax indices.

For illustration purposes, the close price of Quality Care Properties WI on October 25 was \$16.35. FTSE would expect to calculate the total return adjustment as follows:

Quality Care Properties WI [USD 16.35 x (1/5)] x 30% = USD 0.981 (tax liability)

A negative dividend of USD 1.401429* will be applied to the FTSE standard Total Return Indices (i.e. USD 0.981 / 70%)

Clients should note that this treatment will be applied to all total return indices, and not just the net-of-tax indices. FTSE will provide an update to this notice if information becomes available that would indicate an alternative approach would be preferred.

HCP Inc. (USA): Demerger of Quality Care Properties (USA) FTSE EPRA/NAREIT Global Real Estate Index Series

27 October 2016

Subject to the completion of the demerger of Quality Care Properties (USA, non-constituent) from HCP Inc. (USA, constituent), please see details of affected indexes and effective dates below:

| Index | Change | Effective From Start of Trading |
|----------------------------------|--|---------------------------------|
| FTSE EPRA/NAREIT Global Index | Quality Care Properties (USA, BYNWVQ3) will be added to the index with a shares in issue total of 93,008,449** and an investability weighting of 100%. HCP (USA, 2417578) will remain in the index with an unchanged shares in issue total of 465,042,243 and an unchanged investability weighting of 100%. | 01 November 2016 |
| FTSE EPRA/NAREIT Developed Index | Quality Care Properties will be added to the index as detailed above. HCP will remain in the index as detailed above. | 01 November 2016 |

| Index | Change | Effective From Start of Trading |
|--|--|---------------------------------|
| FTSE EPRA/NAREIT Developed ex Asia Index | Quality Care Properties will be added to the index as detailed above. HCP will remain in the index as detailed above. | 01 November 2016 |
| FTSE EPRA/NAREIT Developed ex Europe Index | Quality Care Properties will be added to the index as detailed above. HCP will remain in the index as detailed above. | 01 November 2016 |
| FTSE EPRA/NAREIT North America Index | Quality Care Properties will be added to the index as detailed above. HCP will remain in the index as detailed above. | 01 November 2016 |
| FTSE EPRA/NAREIT United States Index | Quality Care Properties will be added to the index as detailed above. HCP will remain in the index as detailed above. | 01 November 2016 |

Effective from the start of trading on 01 November 2016, Quality Care Properties ICB Classification will be 8675 (Specialty REITs).

The Value and Growth Rating for Quality Care Properties within the FTSE Global Style Index are as follows: Value: 100, Growth: 0

*The negative dividend will be updated to reflect the close price on October 31st and will be visible in tracker products.

**The number of shares is based on the demerger terms of 1 Quality Care Properties share held for every 5 HCP shares held.

For index related enquiries or further information about FTSE EPRA/NAREIT please contact:

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