

# FTSE EPRA/NAREIT UK REITS AND NON-REITS INDICES

In response to the UK REIT legislation, which came into force on 1st January 2007, FTSE Group has created a FTSE EPRA/NAREIT UK REITs Index, and a FTSE EPRA/NAREIT UK Non-REITs Index.

The FTSE EPRA/NAREIT UK REITs Index and FTSE EPRA/NAREIT UK Non-REITs Index are a subset of the FTSE EPRA/NAREIT UK Index, and form part of the existing FTSE EPRA/NAREIT Developed REITs and Non-REITs Indices, launched in March 2006. The REITs and Non-REITs Index Series gives investors the capability to view each constituent's classification within the EPRA/NAREIT universe according to REIT legislation.

This innovative new benchmark will allow for a more granular assessment of the performance characteristics of UK REITs, and has been designed to support the development of index-linked products aimed at the broad equity investment market.

## DEFINITION OF A UK REIT

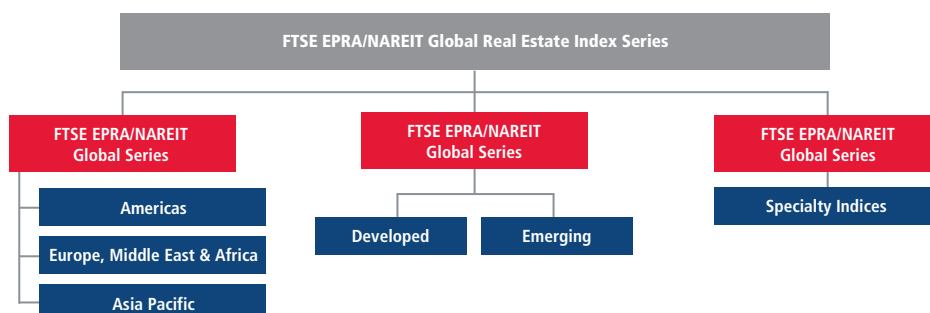
A real estate investment trust (REIT) is a publicly traded real estate company that owns and may manage investment-grade commercial or residential real estate. REITs provide investors with a liquid and cost efficient way to earn the investment returns typically available from direct real estate investment.

To qualify as a REIT, a real estate company must satisfy certain requirements set forth by UK legislation, including the distribution each year to its shareholders of at least 90% of its taxable income. In return for distributing most or all of its taxable income, the company pays no corporate tax on the distributed income. Rather, the tax liability is paid at the individual shareholder level.

## ICB CLASSIFICATION

The ICB classification of all companies will be agreed by FTSE Group in conjunction with Dow Jones Indexes. For those companies holding REIT status by 2nd January 2007 their classification will be Sub-Sector 8737 - Real Estate Investment Trusts.

## FAMILY TREE



## FEATURES

- The FTSE EPRA/NAREIT Developed REITs and Non-REITs Indices are a subset of the FTSE EPRA/NAREIT Developed Index separating the existing constituents into both REIT and Non-REIT indices
- The indices provide investors with the diversification that real estate offers due to its low correlation with other asset classes, along with sufficient liquidity to gain access to that asset class easily
- The indices are calculated in accordance with the Industry Classification Benchmark (ICB), a global standard developed in partnership between FTSE Group and Dow Jones Indexes
- The indices are suitable for the creation of financial products, such as index funds, warrants, certificates and Exchange Traded Funds (ETFs)

## FTSE EPRA/NAREIT UK REITS INDEX CONSTITUENTS

Rank	Constituent	ICB Sector	Net Mkt Cap (£m)	Index Weight (%)
1	Land Securities Group	Reits	10,803	29.53
2	British Land Co	Reits	8,881	24.27
3	Liberty International	Reits	5,064	13.84
4	Hammerson	Reits	4,491	12.27
5	Slough Estates	Reits	3,684	10.07
6	Brixton	Reits	1,546	4.22
7	Great Portland Estates	Reits	1,126	3.08
8	Workspace Group	Reits	863	2.36
9	Primary Health Prop.	Reits	130	0.36
Total			36,588	100.00

Source: FTSE Group, based on the opening cons. 1st January 2007

## FTSE EPRA/NAREIT UK NON-REITS INDEX TOP 10 CONSTITUENTS

Rank	Constituent	ICB Sector	Net Mkt Cap (£m)	Index Weight (%)
1	Derwent Valley Hldgs	Non-Reits	1,125	7.98
2	Quintain Estates and Development	Non-Reits	1,106	7.85
3	Capital & Regional	Non-Reits	1,094	7.76
4	Shaftesbury	Non-Reits	1,031	7.31
5	London Merchant Securities	Non-Reits	751	5.32
6	Grainger Trust	Non-Reits	673	4.78
7	Unite Group	Non-Reits	672	4.77
8	Minerva	Non-Reits	648	4.59
9	Big Yellow Group	Non-Reits	597	4.24
10	St.Modwen Properties	Non-Reits	530	3.76
Total			8,228	58.36

Source: FTSE Group, based on the opening cons. 1st January 2007

## ABOUT EPRA AND NAREIT

The European Public Real Estate Association (EPRA) is a common interest group, with a genuinely representative forum and policy-making body which aims to promote, develop and represent the European public real estate sector. For more information, see [www.epra.com](http://www.epra.com)

The National Association of Real Estate Investment Trusts® (NAREIT) is the worldwide voice of real estate investment trusts (REITs) and listed real estate companies with an interest in the US property and investment markets. NAREIT's responsibilities include industry representation before policymakers affecting the REIT and listed real estate community and industry communication with the financial media and the investment marketplace. For more information, see [www.nareit.com](http://www.nareit.com)

## INFORMATION

### Index Universe

FTSE EPRA/NAREIT Global Real Estate Index Series

### Index Launch

2nd January 2007

### Base Date

31/12/99

### Base Value

1000

### Investability Screens

Free float, liquidity, and size screened

### Index Calculation

End-of-day

### End-of-Day Distribution

Indices available at 23:30 GMT or BST via ftp and email

### Currency

Local currency, USD, EUR, GBP & JPY

### Review Dates

Quarterly in March, June, September & December

### Index Rules

Available at [www.ftse.com/realstate](http://www.ftse.com/realstate)

### Vendor Codes

Available at [www.ftse.com/realstate](http://www.ftse.com/realstate)

### Factsheet Data

FTSE Group, data as at 1st January 2007

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