

# Rules for the EDHEC IEIF Commercial Property Index (France)

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# Rules for the EDHEC IEIF Commercial Property Index (France)

## 1. Index composition

### 1.1 Index definition

The EDHEC IEIF Commercial Property Index (France) is a capitalisation weighted index that measures the performance of SCPIs (unlisted property trusts), collective investment companies that invest in commercial property (offices, shopping centres, logistics infrastructures, and so on).

SCPIs are regulated by articles L2410-50 and the following of the French Monetary and Financial Code. SCPIs are allowed to make public offerings of shares. The sole purpose of these trusts is to acquire and manage property assets leased to tenants.

### 1.2 Index universe

The index is made up of SCPIs that, over the past year, have posted a volume of transactions on the secondary market in excess of €2 million.

The secondary market is the market for share transactions organised by the SCPI-management firms in accordance with articles 422-21 to 35 of the General Regulation of the French Financial Market Authority.

## 2. Calculation and publication of the index

### 2.1 Calculation of the index

The formula below is used to calculate the EDHEC IEIF Commercial Property Index (France):

$$I_t = 1000 \times \frac{\sum_{i=1}^N Q_{i,t} \cdot C_{i,t}}{k_t \sum_{i=1}^N Q_{i,0} \cdot C_{i,0}}$$

Where:

$t$  day of computation  
 $N$  number of components in the index  
 $Q_{i,t}$  number of shares of component  $i$  on day  $t$   
 $C_{i,t}$  price of share  $i$  on day  $t$   
 $Q_{i,0}$  number of shares of component  $i$  of the sample at index base date  
 $C_{i,0}$  price of share  $i$  at index base date  
 $k_t$  adjustment coefficient for base capitalisation on day  $t$

The EDHEC IEIF Commercial Property Index (France) is computed on a net (change in the prices of components) and gross (performance with dividends reinvested) basis. The base date for the EDHEC IEIF Commercial Property Index (France) is 31 December 1980.

### 2.2 Publication frequency

The EDHEC IEIF Commercial Property (France) index is published monthly. Publication of the index takes place at 5 pm CET (central European time) on the tenth of each calendar month; if the tenth is not a working day, it will be published on the following working day.

### 2.3 Price of shares

The performance of the SCPIs is measured by the share purchase price, including commissions charged by the management firm and stamp duty.

The prices correspond to the purchase prices derived from the previous comparison process of the SCPI before the end of each month. In the absence of the trading of shares over the month, the SCPI is temporarily excluded from the calculation of the index.

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## 2.4 Number of shares

Adjustment of the number of shares is quarterly, upon publication of the index of the first month each calendar quarter.

## 2.5 Dividends

Dividends are taken into account the month in which they are paid.

## 2.6 Revision

The composition of the index is reviewed at the close of every semester. The SCPIs that satisfy the requirements for inclusion for the first time are then included. If an SCPI's transaction volumes on the secondary market fall below (80% of the annual minimum transaction volume) for two consecutive semesters, it is removed from the index. If a SCPI is dissolved, loses its SCPI status, or is absorbed by another SCPI, it is removed from the index.

## Administration of the EDHEC IEIF Commercial Property Index (France)

### 3.1 Index committee

Administration of the EDHEC IEIF Commercial Property Index (France) is entrusted to an index committee made up of property and financial analysts, property managers, well known academics, and representatives of IEIF and EDHEC.

The committee meets in the in the first two weeks of February and August.

The mission of the index committee is to manage the composition of the EDHEC IEIF Commercial Property Index (France), with the aim of ensuring its reliability and representativity. It may amend the rules for the calculation of the index.

### 3.2 Publication and effective date of committee decisions

Index committee decisions are published immediately and, barring exceptions, take effect upon publication of the index in the following month.

## 4. Administrator of the EDHEC IEIF Commercial Property Index (France) and final provisions

### 4.1 Administrator of the index

IEIF is the administrator of the EDHEC IEIF Commercial Property Index (France). It is responsible for data-gathering, computation, and publication of the index. All decisions having to do with the interpretation of these rules are taken by the administrator of the index.

### 4.2 Amendments to the rules

The present rules may be amended, added to, suspended or revised, all or in part, at any time. The amendments, additions, suspensions, and revisions may lead to changes in the composition or computation or other aspects of the EDHEC IEIF Commercial Property Index (France).

The administrator of the index submits all proposed amendments to, additions to, suspensions of, and revisions to the present rules to the index advisory board for approval. All board decisions are published immediately. As a rule, approved changes take effect two weeks after they have been published.

### 4.3 Liability

The administrator of the index has a best-effort obligation to ensure the accuracy of the computation and publication of

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the EDHEC IEIF Commercial Property Index (France) in accordance with the established rules. Nonetheless, neither the index administrator nor the index advisory board can be held liable for the reliability of the computation and publication of the index.

The administrator of the index and the advisory board cannot be held liable for any financial losses that may result from the use of the EDHEC IEIF Commercial Property Index (France) after amendments to, additions to, suspensions of, and revisions to the rules of the index.

#### **4.4 Copyright and trademarks**

IEIF and EDHEC hold joint rights to the intellectual and other property rights to the EDHEC IEIF Commercial Property Index (France), in particular to its name, its composition, and its computation.

EDHEC Risk and Asset Management  
Research Centre  
393-400 promenade des Anglais  
BP 3116  
06202 Nice Cedex 3 - France  
Tel.: +33 (0)4 93 18 78 63  
Fax: +33 (0)4 93 18 78 41  
E-mail: [research@edhec-risk.com](mailto:research@edhec-risk.com)  
Web: [www.edhec-risk.com](http://www.edhec-risk.com)