

Benchmark Data & Infrastructure Real Estate SCTRSM Index Methodology

Index Description

The Benchmark Real Estate Data & Infrastructure SCTR Index is a rules-based index that tracks the performance of the real estate industry at both an industry-wide level and on a sector-by-sector basis. The Index identifies real estate companies, including real estate investment trusts (REITs), screens each real estate company for property type and tenant, and assigns each company to a sector index based on property type and tenant (possibly excluding companies that are not concentrated enough for any sector classification).

Index Calculation

The Index is a modified market cap weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each such security's Last Sale Price¹, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for reporting purposes. If trading in an Index Security is halted on its primary listing market, the most recent Last Sale Price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent Last Sale Price is used if trading in a security is halted on its primary listing market before the market is open. The Index began on December 28, 2017, with a base value of 1,000.00.

The formula for index value is as follows:

$$\text{Aggregate Adjusted Market Value/Divisor}$$

The formula for the divisor is as follows:

$$(\text{Market Value after Adjustments/Market Value before Adjustments}) \times \text{Divisor before Adjustments}$$

Three versions of each Index are calculated:

- The price return index (Nasdaq: SRVRSCPR) is ordinarily calculated without regard to cash dividends on Index Securities.
- The total return index (Nasdaq: SRVRSCTR) reinvests cash dividends on the ex-date.
- The net total return index (Nasdaq: SRVRSCNR) reinvests cash dividends on the ex-date based on the securities incorporation withholding rate.

All Indexes reflect extraordinary cash distributions.

The Index is calculated and disseminated once per second from 9:30:01 to 17:16:00 Eastern Time (ET) in USD. The closing value of the Index may change up until 17:15:00 ET due to corrections to the Last Sale Price of the Index Securities.

¹ For purposes of this document, Last Sale Price refers to the last regular way trade reported on such security's Index Market. The Index Market is the listing market for which prices are received and used by Nasdaq in the Index calculation and generally will represent the most liquid trading market of the Index Security. If a security does not trade on its Index Market on a given day or the Index Market has not opened for trading, the most recent last sale price from the Index Market (adjusted for corporate actions, if any) is used. For securities where Nasdaq is the Index Market, the Last Sale Price may be the Nasdaq Official Closing Price (NOCP) when Nasdaq is closed.

Eligibility

Index eligibility is limited to specific security types only. The security types eligible include common stocks, REITs, ADRs, limited partnership interests, shares or units of beneficial interest and shares of limited liability companies.

Eligibility Criteria

To be eligible for inclusion in the Index, a security must meet the following criteria:

- must be classified as specified by Benchmark SCTRSM;
- must be listed on any exchange in the developed markets from the list of **Nasdaq Eligible Exchanges** (https://indexes.nasdaqomx.com/docs/Nasdaq_Eligible_Exchanges.pdf);
- have a minimum worldwide market capitalization of \$500 million;
- have a minimum three-month average daily volume of 10,000 shares;
- have a minimum free float of 20%;
- one security per issuer is permitted²;
- may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and
- may not be issued by an issuer currently in bankruptcy proceedings.

Index Evaluation

The Index is evaluated quarterly using market data through the end of February, May, August, and November. Securities meeting the criteria are included in the Index. Security additions and deletions are made effective after the close of trading on the third Friday in March, June, September, and December.

Additionally, if at any time during the year other than the Evaluation, an Index Security no longer meets the Eligibility Criteria, or is otherwise determined to have become ineligible for inclusion in the Index, the security is removed from the Index and is not replaced. Ordinarily, a security will be removed from the Index at its Last Sale Price. If, however, at the time of its removal the Index Security is halted from trading on its primary listing market and an official closing price cannot readily be determined, the Index Security may, in Nasdaq's discretion, be removed at a zero price. The zero price will be applied to the Index Security after the close of the market but prior to the time the official closing value of the Index is disseminated, which is ordinarily 17:16:00 ET.

² If an issuer has multiple securities, the security with the highest dollar trading volume will be selected for possible inclusion into the Index.

Index Maintenance

Index Share changes are not made during the quarter however changes arising from stock dividends and stock splits are made to the Index on the evening prior to the effective date of such corporate action.

A special cash dividend announced by the listing exchange, will result in an adjustment to the Last Sale Price of an Index Security prior to market open on the ex-date for the special amount distributed. A corresponding adjustment will be made to the Index Shares of the security such that the weight of the Index Security will not change as a result of the action. A special dividend may also be referred to as extra, extraordinary, non-recurring, one-time, unusual, etc.

Specific treatment of each type of corporate action or event is described in the Nasdaq Corporate Actions and Events Manual – Equities, which is incorporated herein by reference.

In certain cases, corporate actions and events are handled according to the weighting scheme or other index construction techniques employed. Wherever alternate methods are described, the Index will follow the “Non-Market Cap Corporate Action Method.”

Index Rebalancing

The Benchmark Data & Infrastructure Real Estate SCTR Index employs a modified market capitalization- weighting methodology. At each quarter, the Index is rebalanced such that the maximum weight of any Index Security does not exceed 15%. The maximum weight for all securities greater than 4.5% must be less than or equal to 45%. The excess weight of any capped security is distributed proportionally across the remaining Index Securities. If after redistribution, any of the highest ranked Index Securities are weighted below 15%, these securities are not capped. Next, any remaining Index Securities in excess of 4.5% are capped at 4.5% and the excess weight is redistributed proportionally across the remaining Index Securities. The process is repeated, if necessary, to derive the final weights.

The modified market capitalization-weighting methodology is applied to the capitalization of each Index Security, using the Last Sale Price of the security at the close of trading on the last trading day in February, May, August and November and after applying quarterly changes to the total shares outstanding. Index Shares are then calculated multiplying the weight of the security derived above by the new market value of the Index and dividing the modified market capitalization for each Index Security by its corresponding Last Sale Price. The changes are effective after trading on the third Friday in March, June, September and December.

Nasdaq may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure Index integrity.

May 2021