

Benchmark Real Estate SCTRSM Index Family Methodology

Index Description

Benchmark Real Estate SCTRSM Indexes are rules-based indexes that track the performance of the U.S. listed real estate industry at both an industry-wide level and on a sector-by-sector basis. The Indexes identify real estate companies, including real estate investment trusts (REITs), screen each real estate company for property type and tenant, and assign 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 Benchmark Real Estate SCTRSM Indexes are modified market cap weighted indexes. 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 Indexes 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 (See Appendix A for a List of Index Symbols and Names):

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

The Indexes are calculated and disseminated once per second from 9:30:01 to 17:16:00 Eastern Time (ET) in USD. The closing value of the Indexes 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 falling into of the Real Estate Indexes as specified by Benchmark SCTRSM;
- must be listed on The NASDAQ Stock Market, the New York Stock Exchange or NYSE Amex;
- have a minimum worldwide market capitalization of \$200 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.

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. In the case of certain spin-offs or rights issuances, the price of the Index Security is adjusted and a corresponding adjustment is made to the Index Shares such that the weight of the Index Security does not change as a result of the action. However, for a spin-off event, if there is a no when-issued trading available for the spin-co security, the spin-co security may be added to the index at a zero value. In this case, the spin-co security will be removed from the Index after two full days of trading.

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.

Ordinarily, whenever there is a change in an Index Security or a change to the price of an Index Security due to spin-offs, rights issuances or special cash dividends as mentioned above, the divisor is adjusted to ensure that there is no

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

discontinuity in the value of the Index which might otherwise be caused by any such change. All changes are announced in advance and are reflected in the Index prior to market open on the Index effective date.

Index Rebalancing

Benchmark Industrial Real Estate SCTRSM Index

The Benchmark Industrial Real Estate SCTRSM Index employs a modified market capitalization-weighting methodology. At each quarter, the Index is rebalanced such that the maximum weight of any Index Security classified as Industrials by Benchmark SCTRSM does not exceed 15%. The aggregate weight for all securities classified as Industrials is 80%. 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 classified as Industrials.

For all securities not classified as Industrials, the aggregate weight sums to 20% and individual security weights are capped at 4.5%. The excess weight is redistributed proportionally across the remaining Index Securities not classified as Industrials.

The process is repeated, if necessary, to derive the final weights.

All other Benchmark Real Estate SCTRSM Indexes

All other Benchmark Real Estate SCTRSM Indexes employ the following 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.

Appendix A – Index Names and Symbols

Index Symbol	Index Name
DESKSCPR	Benchmark Office Real Estate SCTR SM Index
DESKSCTR	Benchmark Office Real Estate SCTR SM Total Return Index
DESKSCNR	Benchmark Office Real Estate SCTR SM Net Total Return Index
HOTLSCPR	Benchmark Hotel & Lodging Real Estate SCTR SM Index
HOTLSCTR	Benchmark Hotel & Lodging Real Estate SCTR SM Total Return Index
HOTLSCNR	Benchmark Hotel & Lodging Real Estate SCTR SM Net Total Return Index
INDSSCPR	Benchmark Industrial Real Estate SCTR SM Index
INDSSCTR	Benchmark Industrial Real Estate SCTR SM Total Return Index
INDSSCNR	Benchmark Industrial Real Estate SCTR SM Net Total Return Index
NNNLSCPR	Benchmark Net Lease Real Estate SCTR SM Index
NNNLSCTR	Benchmark Net Lease Real Estate SCTR SM Total Return Index
NNNLSCNR	Benchmark Net Lease Real Estate SCTR SM Net Total Return Index
PADSCPR	Benchmark Apartments & Residential Real Estate SCTR SM Index
PADSCTR	Benchmark Apartments & Residential Real Estate SCTR SM Total Return Index
PADSCNR	Benchmark Apartments & Residential Real Estate SCTR SM Net Total Return Index
RTLSCPR	Benchmark Retail Real Estate SCTR SM Index
RTLSCTR	Benchmark Retail Real Estate SCTR SM Total Return Index
RTLSCNR	Benchmark Retail Real Estate SCTR SM Net Total Return Index
RXRESCPR	Benchmark Healthcare Real Estate SCTR SM Index
RXRESCTR	Benchmark Healthcare Real Estate SCTR SM Total Return Index
RXRESCNR	Benchmark Healthcare Real Estate SCTR SM Net Total Return Index
SRVRSCPR	Benchmark Data & Infrastructure Real Estate SCTR SM Index
SRVRSCTR	Benchmark Data & Infrastructure Real Estate SCTR SM Total Return Index
SRVRSCNR	Benchmark Data & Infrastructure Real Estate SCTR SM Net Total Return Index

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