

INDEX RULE BOOK

**Euronext[®] Reitsmarket Global Conviction
Index**

**Euronext[®] Reitsmarket Global Balanced
Index**

Version 21-01

Effective from 15 Dec 2021

indices.euronext.com

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For further information in relation to Euronext Indices please contact:
index-team@euronext.com

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1. GENERAL

This document is applicable to the Euronext® Reitsmarket Index (“Index Family”), which consists of all the Indices as mentioned in the Reference Table.

The Euronext Reitsmarket Index is designed to reflect the price level trends in the trading of shares listed Globally.

Euronext Paris is the Administrator of this Index Family. For this Index Family Rego Partners acts as Independent Supervisor.

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PREVIOUS VERSION NOTES

VERSION	DATE EFFECIVE	CHANGES
002	7 November 2017	Change of Decrement percentage from 4.5% to 4.75%. Historic levels since base date are adjusted to reflect applying this percentage from the start.
002a	7 November 2017	Correction of 6.2.2 that should read “of the market capitalization” instead of “of the initial number “ in the first paragraph
003	26-01-2018	Adjusted for launch of Euronext® Reitsmarket Global Balanced RC10, Euronext® Reitsmarket Global Balanced RC10 Decrement, Euronext® Reitsmarket Global Balanced RC12 and Euronext® Reitsmarket Global Balanced RC12 Decrement.
20-01	15 May 2020	Integration of ESG Disclosures

Prior to January 2017, companies belonging to (1) North America, (2) Developed Europe and (3) Developed Asia Pacific Markets/Regions were required to have an average daily traded turnover of respectively (1) USD 5Mio, (2) USD 2.5Mio and (3) USD 5Mio over a period of 6 months (directly preceding the current Review Cut-Off Date, included), in order to form the investable universe.

VERSION NOTES

Version	Effective date	New or changed parts	Reference/announcement
21-01	15 Dec 2021	restyled version in view of newly published Calculation and Corporate Actions rulebooks	

2. INDEX REVIEWS

2.1 REVIEW FREQUENCY AND RELEVANT DATES

Review frequency: Monthly

Review Effective Date: The monthly reviews and rebalances become effective after the close of trading on the 3rd trading day, according to the Euronext Markets calendar, following the Review Date (the "Effective Date").

Review Cut-Off Date: The Review Cut-Off dates are after the close of the primary markets of the last trading day of January, February, March, April, May, June, July, August, September, October, November and December of each year (each, a "Review Date"). All relevant data that will serve as basis for the periodical review of the Index are gathered on Review Dates.

Review Announcement Date: At least one day before the Review Effective Date.

Review Weighting Announcement Date: One day before the Review Effective Date.

2.2 REVIEW SELECTION

Step 1: Index Universe

Index Universe definition

The Universe of the Index includes only real estate companies that are traded in one of the listed countries outlined hereunder. The company must be listed on an official stock exchange.

Real estate investment companies must have derived, in the previous full financial year preceding each Investment Universe Review Date, a substantial portion of their total EBITDA from relevant real estate activities. Relevant real estate activities are defined as the ownership, trading and development of income-producing real estate.

Permitted countries and stock exchanges		
North America		
Canada	Toronto Stock Exchange	TSE Close Price
United States of America	New York Stock Exchange	Official Closing Price
	NASDAQ Stock Market	Official Closing Price
Developed Europe		
Austria	Wiener Boerse	Auction Price at 17:30
Belgium	Euronext Brussels	Closing Auction at 17:35

Permitted countries and stock exchanges		
Denmark	Copenhagen Stock Exchange	Closing price at 17:00
Finland	Helsinki Stock Exchange	Closing price at 17:30
France	Euronext Paris	Closing Auction at 17:35
Germany	Deutsche Börse Frankfurt	Closing Auction Price
	Xetra	Closing Auction Price
Ireland	Irish Stock Exchange	Last trade price at 17:15
Italy	Italian Stock Exchange	Closing auction at 17:35 - 17:40
Luxembourg	Luxembourg Stock Exchange	Closing Price at 15:30
Netherlands	Euronext Amsterdam	Closing Auction at 17:35
Norway	Oslo Stock Exchange	Closing auction prices at 16:00
United Kingdom	London Stock Exchange	Official Closing Price
Spain	Bolsa de Madrid	Auction price at 17:35
Sweden	Stockholm Stock Exchange	Closing price at 17:30
Switzerland	SIX Swiss Exchange	Official close at 17:30
Developed Asia Pacific		
Australia	Australian Stock Exchange	Auction Price (Official Close)
Hong Kong	Hong Kong Stock Exchange	Nominal Price (Official Close)
Japan	Tokyo Stock Market	Last Trade (Official Close)
Singapore	Singapore Exchange	Action Price (Official Close)
Taiwan	Taiwan Stock Exchange	Official Closing Price
New Zealand	New Zealand Stock Exchange	Official close at 16:45

Continuous eligibility screening

No Continuous eligibility requirements are applied for this index.

Step 2: Eligibility screening at reviews

On each Review Cut-Off Date, companies are required to have an average daily traded turnover of USD 5Mio over a period of 6 months (directly preceding the current Review Cut-Off Date, included) in order to form the investable universe. The traded turnover, or total amount traded in each security, corresponds to the value which represents all trade prices, multiplied by the number of shares relating to each price, converted into the Base Currency of the Index. This value is then summed.

All securities are also ensured to not being suspended for more than 10% of the trading days according to the Euronext calendar in the 12 months (directly preceding the current Review Cut-Off Date, included):

Minimum number of price observations $_{12 \text{ Months}} = \text{Number of trading days}_{12 \text{ Months}} \times 0.9$.

Step 3: Selection Ranking¹

The Euronext® Reitsmarket Global Conviction Index and the Euronext® Reitsmarket Global Balanced Index are designed to track general “multi-factors” trends in listed real estate securities worldwide through the performance of a “risk-optimized” portfolio of global real estate securities.

Initially, a “multi-factors” selection process identifies a variable number of securities which constitute up to:

- 35.00% of the market capitalization of the investable securities for (1) North America;
- 50.00% of the market capitalization of the investable securities for (2) Developed Europe;
- 35.00% of the market capitalization of the investable securities for (3) Developed Asia Pacific;

The “multi-factors” ranking methodology, is based on the intrinsic characteristics of the stocks being part of the same region, namely their respective - (a) Valuation characteristics, (b) Fundamental characteristics, (c) Growth characteristics and (d) Momentum characteristics - and intends to retain those securities with the best combination of characteristics per region.

The algorithm creates three resulting investable and diversified sub pools while looking at the respective (5) Risk characteristics of the securities incorporated in each “regional” investable and diversified pools, each regional sub pool including the 30 highest ranked securities for regions (1) and (3) and the 20 highest ranked securities for region (2), according to Risk.

The Global Conviction methodology aims to retain the highest ranked securities worldwide respectively, i.e. the 30 Index constituents of the Global Conviction Index, primarily amongst the three different “multi-factors” regional investable and diversified sub pools, or within the sub pools, the “multi-factors” investable and diversified pools and/or the remaining part of the investable universe, based on Risk and while making sure that:

- A minimum of 10% of the Index constituents are part of (1) North America;
- A minimum of 10% of the Index constituents are part of (2) Developed Europe;
- A minimum of 10% of the Index constituents are part of (3) Developed Asia Pacific;
- At least 20 constituents of the Index are part of the regional sub pools and
- A target turnover constraint is met.

The Global Balanced methodology aims to retain the highest ranked securities worldwide respectively, i.e. the 40 Index constituents of the Global Balanced Index, amongst the three different “multi-factors” regional investable and diversified sub pools, based on Risk and while making sure that:

¹ Rego Partners owns all intellectual rights to the methodology underlying the selection of the constituents of the index. This methodology for selection of Euronext® Reitsmarket Global Conviction and Euronext® Reitsmarket Global Balanced indices is designed and maintained by Rego Partners.

- Exactly 50% of the Index constituents are part of (1) North America;
- Exactly 25% of the Index constituents are part of (2) Developed Europe;
- Exactly 25% of the Index constituents are part of (3) Developed Asia Pacific and
- A target turnover constraint is met.

Step 4: Selection of constituents at the reviews

Changes to the Index composition are made on a monthly basis and reflect the changes in the intrinsic factor characteristics (i.e. Valuation, Fundamental, Growth, Momentum and Risk) of the companies in the investable universe, based on the “multi-factors” ranking methodology underlying the selection of the Index constituents.

2.3 PERIODICAL WEIGHTING UPDATE

Weighting method

The index is Non-Market Capitalisation weighted, based on Equal Weight.

The Weighting Factors are explained in the following paragraphs.

Number of shares

At monthly reviews, the number of shares included in the Index will be updated based on market data available after the close of the Review Cut-Off Date, taking into account necessary adjustments due to Corporate Actions.

Free Float factor

The Free Float Factor is not applicable for this Index Family.

Capping Factor

The Capping factor is not applicable for this Index Family.

3. EXCEPTIONS AND SPECIFIC RULES

3.1 Rule changes

Barring exception, a period of at least 2 weeks shall pass between the date a proposed rule change is published and the date it comes into effect. Exceptions can be made only if the rule change is not in conflict with the interests of an affected party.

3.2 Procedure For Discontinuation Of Indices

When Will Indices Be Discontinued

The Index may be discontinued in case no existing investment solutions require its existence or in case the universe of eligible securities does not allow the proper implementation of the selection methodology, as will be determined by the Administrator after consultation of the Supervisor.

Responsibility For Decision To Shut Down the Index

The decision to discontinue the Index belongs to the Administrator.

Selection Method Change Or Non Availability

In case the Supervisor is no longer providing the periodical selection of constituents or the Provider is no longer providing the Sustainable Investment Universe of the Index, the Administrator will continue to calculate the Index on the basis of the last composition prior to such event.

3.3 Risk Control Index Calculation

The Risk Control Index calculation is as follows:

$$RC_t = RC_{t-1} * W_{t-2} * \frac{NR_t}{NR_{t-1}} + RC_{t-1} * (1 - w_{t-2}) * (1 + IR * \frac{day}{365})$$

Where:

- RC_{t-1} Risk Control Index value on day t-1
- RC_t Risk Control Index value on day t
- NR_{t-1} Underlying Net Return Index value on day t-1
- NR_t Underlying Net Return Index value on day t
- W_{t-2} Percentage weight of the underlying index based on day t-2
- IR Applicable interest rate at the time of calculation (t-1 Euribor 3 months)
- day Number of calendar days between day t and day t-1

Calculation of W_t

The calculation of **W_t** takes 2 steps the first step is to calculate the 20 and 60 days annualized historical volatility of the underlying index. This uses the following formula:

$$Vol_N = \sqrt{\frac{252}{n} * \sum \left[\ln \left(\frac{NR_t}{NR_{t-1}} \right) \right]^2}$$

Where:

- N 20 or 60 days
- NR_{t-1} Underlying Net Return Index value at "t-1", "t-1" ranging from last closing to last closing- N
- NR_t Underlying Net Return Index value at "t", "t" ranging from today closing to today closing- N

The second step is to calculate **W_t**:

$$W_t = \text{Min} \left[\frac{TVol}{\text{Max}(Vol_{20}; Vol_{60})}; 100\% \right]$$

Where:

Tvol Is the targeted annual volatility (10% or 12%)

4. REFERENCES

4.1 REFERENCE TABLE

Index name	Isincode	Mnemo	Bloom- berg Code	Reuters code	Base date	Base value	Publication since	Index Type
Euronext® Reitsmarket Global Conviction	NL0012645204	ERGCP	ERGCP	.ERGCP	04-01-2006	1,000	05-10-2017	Price
Euronext® Reitsmarket Global Conviction NR	NL0012645212	ERGCM	ERGCM	.ERGCM	04-01-2006	1,000	05-10-2017	Net Return
Euronext® Reitsmarket Global Conviction Decrement	NL0012645220	ERGCD	ERGCD	.ERGCD	04-01-2006	1,000	05-10-2017	Decrement Return 4.75% on NR
Euronext® Reitsmarket Global Balanced	NL0012645238	ERGBP	ERGBP	.ERGBP	04-01-2006	1,000	05-10-2017	Price
Euronext® Reitsmarket Global Balanced NR	NL0012645246	ERGBN	ERGBN	.ERGBN	04-01-2006	1,000	05-10-2017	Net Return
Euronext® Reitsmarket Global Balanced Decrement	NL0012645253	ERGBD	ERGBD	.ERGBD	04-01-2006	1,000	05-10-2017	Decrement Return 4.75% on NR
Euronext® Reitsmarket Global Balanced RC10	NL0012747018	GB10C	GB10C	.GB10C	31-03-2006	1115.01	26-01-2018	Risk Control
Euronext® Reitsmarket Global Balanced RC10 Decrement	NL0012747026	GB10D	GB10D	.GB10D	31-03-2006	1115.01	26-01-2018	Decrement Return 4.75% on NR GB
Euronext® Reitsmarket Global Balanced RC12	NL0012747034	GB12C	GB12C	.GB12C	31-03-2006	1115.01	26-01-2018	Risk Control
Euronext® Reitsmarket Global Balanced RC12 Decrement	NL0012747042	GB12D	GB12D	.GB12D	31-03-2006	1115.01	26-01-2018	Decrement Return 4.75% on NR GB

4.2 BASE CURRENCY

The Base Currency of this index family is Euro.

4.3 PUBLICATION

The level of the Index is published once a day shortly after the closing of the US market.

5. ESG DISCLOSURES

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	Euronext Paris
Item 2. Type of benchmark	Equity Benchmark
Item 3. Name of the benchmark or family of benchmarks.	Euronext Reitsmarket
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No
Item 5. If the response to Item 4 is positive, please find below the ESG factors that are taken into account in the benchmark methodology and how they are used for selection, weighting and exclusion	
a) List of environmental factors considered:	Not applicable
b) List of social factors considered:	Not applicable
c) List of governance factors considered:	Not applicable
Item 6. Data and standards used.	
a) Data input. <i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i> <i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i>	Not applicable
b) Verification of data and guaranteeing the quality of those data. <i>Describe how data are verified and how the quality of those data is ensured.</i>	Not applicable
c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i>	Not applicable
Information updated on:	30 th April 2020

Overview of Rulebooks and other documents applicable for Euronext Indices

The following documents, all available on or via the following link: <https://www.euronext.com/en/indices/index-rules> should be read in conjunction with this document or provide other relevant information for the reader.

BENCHMARK STATEMENT

The Benchmark Statement identifies the primary features of an index family or families of indices in the context of the EU Benchmark regulation. For ESG based indices it also contains disclosure of ESG factors and reporting of scores.

COMPLIANCE STATEMENT

The Compliance Statement provides details, for both significant and non-significant benchmarks, for which provisions the Administrator has chosen not to apply, and offers an explanation as to why it is appropriate not to apply each provision.

GOVERNANCE EURONEXT INDICES

The purpose of the 'Governance Euronext Indices' is to describe the role and responsibilities of each of the governance bodies that are part of the Benchmark Administrators of Euronext.

RULEBOOK OF EACH FAMILY OF INDICES

Each index is part of an index family that shares the basis for selection (universe) and which is managed in a comparable way. A separate rulebook is provided for each index family that will describe the specific features of that index family as well as specific elements of each index within that family.

INDEX CALCULATION AND PERIODICAL REVIEW Euronext Indices

The Methodology Euronext describes all common aspects that apply for the

- periodical reviews, and
- the calculation of indices

EURONEXT INDICES CORPORATE ACTION RULES

• treatment of corporate actions
of indices provided by Euronext Indices.

EURONEXT ESG PROVIDERS METHODOLOGIES

An overview of various methods applied by providers of ESG scorings and labels

PROCEDURES EURONEXT INDICES

These rulebooks describe the various procedures that are applied for all Euronext Indices:

- Correction Policy
- Announcement Policy
- Complaints Procedure
- Consultations Procedure
- Procedure For Cessation of Indices

RULES OF PROCEDURE INDEPENDENT SUPERVISORS

For each Independent Supervisor Euronext publishes a 'Rules of Procedure' that describes the responsibilities and composition of each Independent Supervisor.

BENCHMARK OVERSIGHT COMMITTEE CHARTER

The Benchmark Oversight Committee Charter describes the role and responsibilities of the Benchmark Oversight Committee.