

INDEX RULE BOOK

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

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

Version 23-02

Effective from 20 Apr 2023

indices.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 | |
| 23-01 | 30 Jan 2023 | Updating formula in line with practice | |
| 23-02 | 20 Apr 2023 | Update Review Announcement and Review Weighting Announcement Date in line with practice | |

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 two day before the Review Effective Date.

Review Weighting Announcement Date: Two 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:

$$RC_t = RC_{t-1} * W_{t-2} * \frac{NR_t}{NR_{t-1}} + RC_{t-1} * (1 - w_{t-2}) * (1 + IR * \frac{day}{360})$$

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 |