Dow Jones Global Select Real Estate Securities Indices Consultation on Specialty REITs Results

NEW YORK, FEBRUARY 28, 2020: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the Dow Jones Global Select Real Estate Securities Indices.

As per the Dow Jones Select Real Estate Securities Indices Methodology, a company must be both an equity owner and operator of commercial and/or residential real estate. In addition, companies must have at least 75% of their total revenue derived from the ownership and operation of real estate assets. This threshold is relaxed to 50% for existing index constituents.

In order to better reflect current market sentiment, S&P DJI will modify the revenue screen so that net lease businesses are considered as ownership and operation of traditional real estate as long as the underlying properties are traditional real estate as defined by the methodology. The table below summarizes the changes.

<table>
<thead>
<tr>
<th>Change</th>
<th>Previous</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Screen</td>
<td>Net lease businesses are not considered as ownership and operation of traditional real estate. Therefore, revenue generated under this type of lease structure does not contribute to the eligible portion when calculating the revenue percentage.</td>
<td>Net lease businesses are considered as ownership and operation of traditional real estate. Therefore, revenue generated under this type of lease structure does contribute to the eligible portion when calculating the revenue percentage.</td>
</tr>
</tbody>
</table>

These changes will be implemented in conjunction with the June quarterly rebalancing, which will take effect prior to the market open on Monday, June 22, 2020. For clarity, net lease businesses will continue to be ineligible for purposes of the March quarterly rebalancing, which will take effect prior to the market open on Monday, March 23, 2020.

For turnover and pro-forma impact analysis, please refer to the Dow Jones Global Select Real Estate Securities Indices Consultation on Specialty REITs available here. Additional details regarding the impact on S&P DJI REIT/RESI Industry Classification Hierarchy assignments for index constituents will be communicated ahead of the June 2020 quarterly rebalancing.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.
ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

FOR MORE INFORMATION:
S&P Dow Jones Indices
index_services@spglobal.com