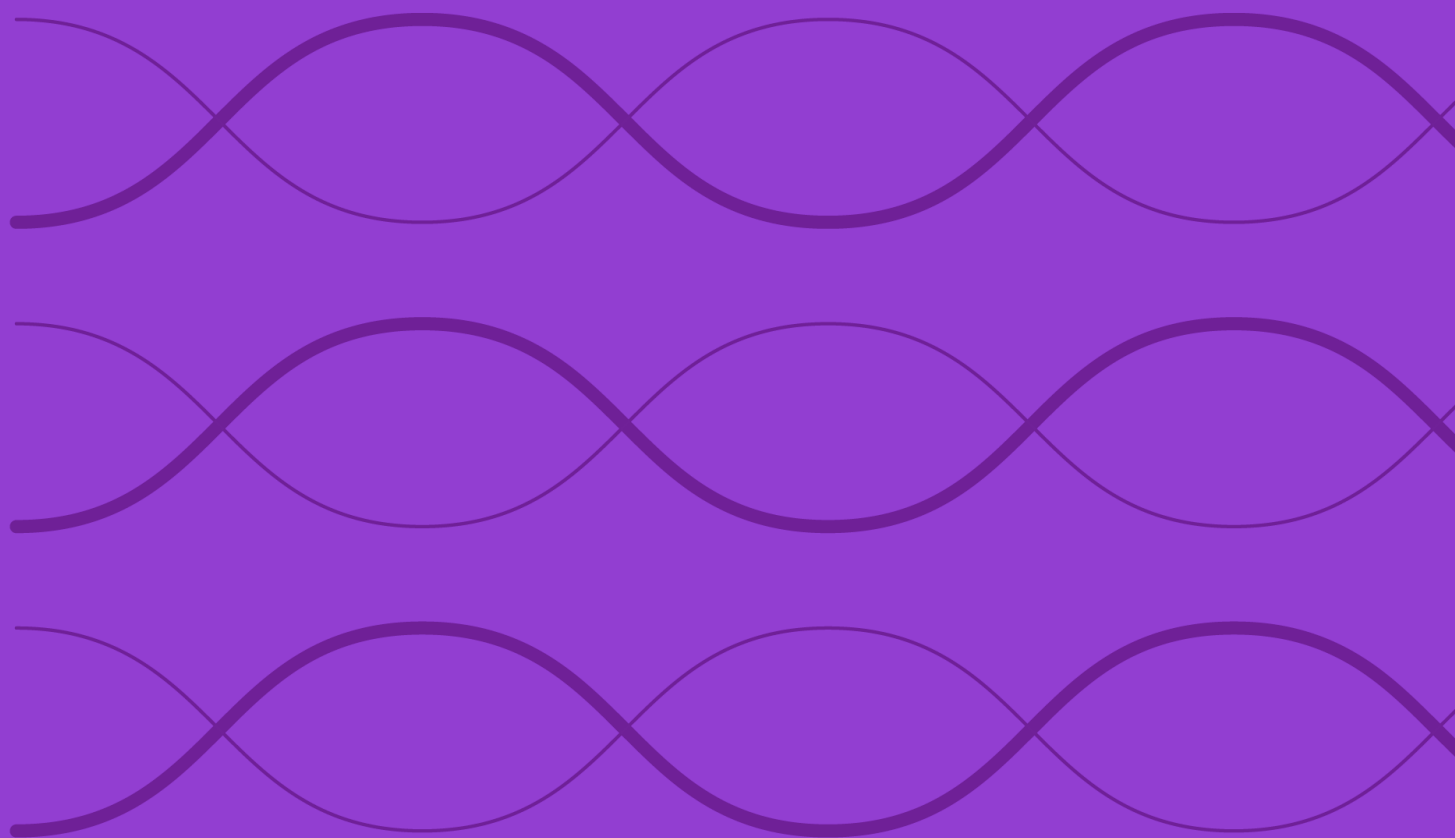


Construction Rules for the
Morningstar[®] TME Paris Aligned
Benchmark Sustainability Select
IndexesSM



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Overview

The Morningstar® TME Paris Aligned Benchmark Sustainability Select IndexesSM are designed to achieve the Paris Aligned Benchmarks standards laid out in the European Union delegated acts and to reduce the exposure to both carbon risk and severe ESG companies and pursue opportunities arising from the transition to a low-carbon economy. The indexes also seek to reward companies that have credible carbon-reduction targets while achieving a modest tracking error with respect to the parent index. The Indexes makes use of Carbon Emissions, ESG Risk Rating, Product Involvement and ESG Controversy data provided by Sustainalytics' and applies the Corporate Target Setting using data from Science Based Target Initiatives.

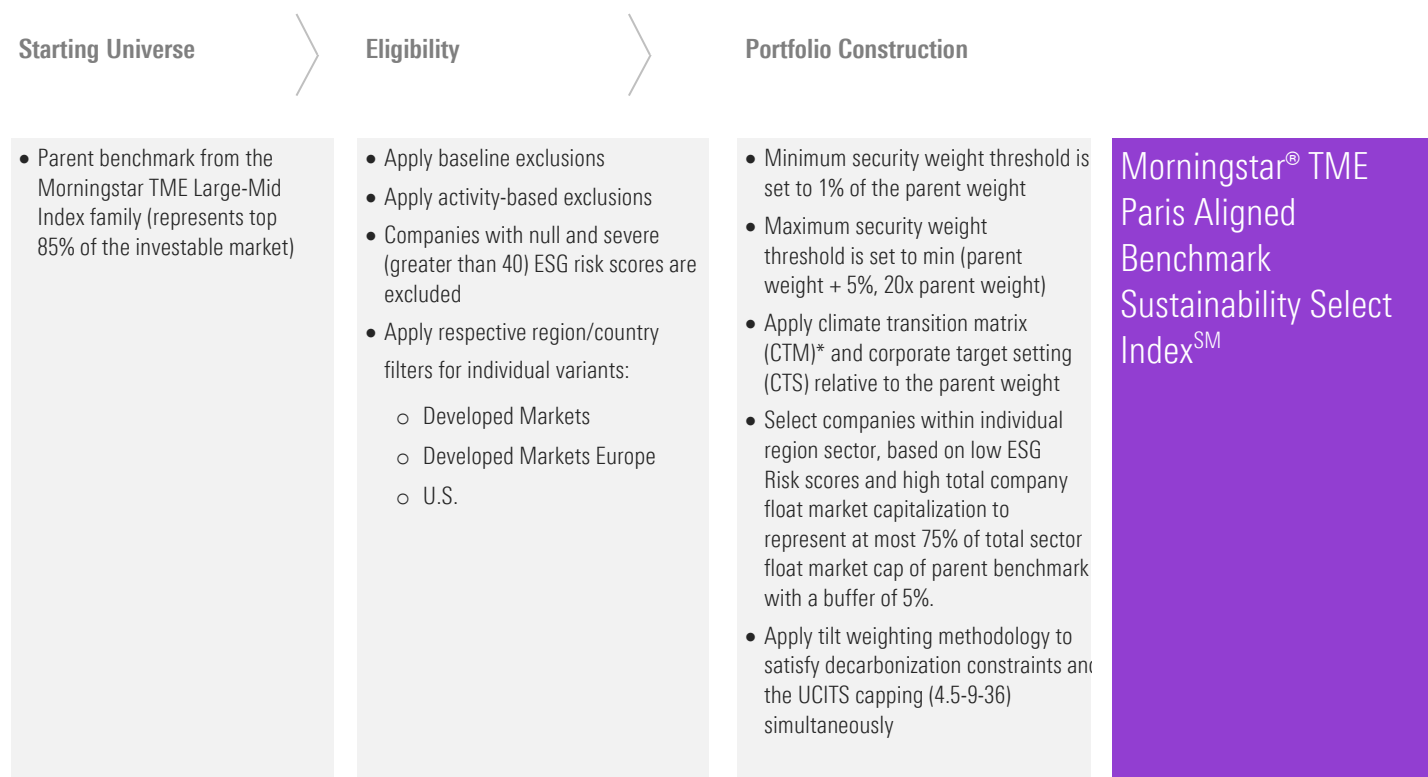
For further information on ESG data used in the index, please see the [Morningstar ESG Index Glossary](#).

Index Inception and Performance Start Date

The index inception date is Nov. 27, 2023, and the performance start date, when the first back-tested index value was calculated, is June 19, 2015.

Index Construction

Exhibit 1: Construction Process



For additional details, refer to the following section.

*From June 2023, the CTM assignments are done based on Sustainability Activities Involvement themes.

Assigning Stocks to the Index

Starting Universe

At each reconstitution, securities for each Morningstar® TME PAB Sustainability IndexSM are derived from the Morningstar® Global Target Market Exposure IndexSM (benchmark) with relevant region or country filters. For more details on benchmark construction, refer to the Construction rules for the [Construction Rules for the Morningstar Global Target Market Exposure Index](#).

Security Selection

To be eligible for inclusion in the Index, all constituents must meet the following criteria:

- Companies must not have a null or severe (greater than 40) ESG risk scores.
- Baseline Exclusions:
 - The company must not have a null or severe controversy rating (or a level of 5).
 - The company must not be non-compliant with the principles of the United Nations Global Compact.
 - The company must not have any revenue involvement in controversial weapons, essential or nonessential.

- Activity-Based Exclusions
 - The company must not have any revenue involvement in the following activities:
 - Thermal Coal (Extraction and Supporting Products & Services)
 - Tobacco Products (Production)
 - The company must not have greater than 5% revenue involvement in the following activities:
 - Adult entertainment (Production and distribution)
 - Alcoholic Beverages (Production, Retail and Related Products & Services)
 - Arctic Oil Extraction
 - Gambling (Operations, Specialized Equipment, and Supporting Products & Services)
 - Military Contracting (Weapons, Weapons Products & Services and Non-Weapons Products & Services)
 - Oil & Gas (Production, Generation and Supporting Products & Services)
 - Shale Extraction
 - Thermal Coal (Power Generation)
 - Small Arms (Civilian Assault, Civilian Non-Assault, Customers, Key Components, Retail Distribution Assault and Retail Distribution Non-Assault)
 - Tobacco Production (Retail and Supporting Products & Services)
 - The company must not have 50% or more combined revenue from oil & gas generation and coal power generation.

For both baseline and activity-based exclusions, companies with missing values for any of the above screens would be excluded. For more details refer to Appendix 5.

- Portfolio Selection

At each semi-annual review, the securities within respective region (Developed Markets and Developed Europe) /country (U.S.) are selected from the parent universe. The securities are then selected within individual region and Morningstar Global Equity Classification Structure (Morningstar GECS) sectors based on the following steps:

1. For a companies with more than one eligible share class, the company market cap is represented by the primary share class only.
2. Companies are sorted based on lower ESG risk score and higher total company float market capitalization.
3. Sectors which have just one company as part of the parent universe would be excluded from the selection process.
4. The target float market capitalization is 75% of the total sector float market capitalization. Companies are selected until the target float market capitalization is reached. The last company where the target is reached is selected in the universe.
5. Buffer conditions: An additional 5% buffer by float market capitalization is applied as mentioned below:
 - Companies are selected in a usual manner until they reach 70% of the target float market capitalization.
 - Existing constituents between 70% and 80% of the target float market capitalization are eligible for selection and become a part of the buffered universe. The remaining companies become a part of the additional universe.
 - The companies within the buffered universe are selected based on lower ESG risk score and higher total company float market capitalization until the target float market capitalization is reached. The last company where the target is reached is selected in the universe.

- If the target float market capitalization does not reach even after inclusion of the buffered universe, companies within the additional universe are selected until the target is attained. The last company where the target is reached is selected in the universe.
6. The secondary share classes for companies are added back to the selected universe.

For the Developed Markets variant, Developed Middle East and Developed Europe are combined for the portfolio selection.

The securities within the above selected universe are excluded based on the product involvement and ESG risk score thresholds.

Number of Stocks

The number of stocks in the index is variable, subject to the selection and eligibility criteria at the time of reconstitution.

Portfolio Constraints

At each semiannual review, the indexes are constructed using a tilt-weighting methodology that aims to achieve replicability and investability while keeping the tracking error with respect to the parent index low subject to the following condition and constraints. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

Parameter	PAB
Minimum reduction in greenhouse gas intensity (scope 1 + 2 +3) relative to region/country specific parent index	50%
Minimum average reduction (per year) in greenhouse gas intensity relative to the greenhouse gas intensity of the PAB portfolio at previous effective date	7%
Sector Constraint	Cumulative weight of the High Impact sectors should not be less than 1.05x their weight in the benchmark
Minimum increase in weight of companies having revenue involvement equal or greater than 50% in Green Emerging Technologies relative to the region/country specific parent index*	50% or 25% as determined by the climate transition matrix
Minimum increase in weight of companies setting carbon reduction targets relative to the parent index. In case of conflicts, the climate transition matrix gets priority to the corporate target setting application	1.5-degree scenario: 20%, 2 or way below 2-degree scenario: 10%
Minimum constituent weight	1% of weight in parent benchmark
Maximum constituent weight	Minimum (weight in parent benchmark + 5%, 20x weight in parent benchmark).

*The climate transition matrix from June 23 assignment has been changed. Please refer to Appendix 2 for additional details.

Additionally, an absolute B-A-C (4.5-9-36) capping is applied at a company level.

If a company's maximum constituent weight is above 9%, then the company maximum weight is set to 9%, and for the individual securities maximum weight is set based on the proportion of the parent benchmark weight.

After the climate transition matrix and corporate target settings applications, if a security's maximum weight threshold is less than the minimum security weight threshold, then the minimum weight threshold is reset to 1% of weight in parent benchmark.

The objectives are achieved by using a tilt-weighting approach as mentioned below.

$$W_{PORT} = W_P * SCI^{\alpha} * F_{CM} * F_{CTS} * F_{SC} * F_{CP}$$

- W_{PORT} : Weight of the security in the PAB Index
- W_P : Weight of the security in the parent index
- SCI : Carbon Intensity Standard Score (refer to Step1 of process below)
- F_{CM} : Climate matrix factor score (refer to Appendix 2, calculation methodology)
- F_{CTS} : Corporate target setting factor score (refer to Appendix 3)
- F_{SC} : Sector constraint control factor
- F_{CP} : Security constraint control (refer to the parameter table above)
- α : Exponential tilt powers determined at each index rebalance to achieve the design objectives. The power has a sensitivity of 0.01.

The Process

Step 1: The carbon intensity standard scores are determined by first calculating the respective Z scores over the entire universe and then using a cumulative distribution function to determine the S scores. To reflect the inverse correlation of carbon intensity with portfolio weights, the S scores are changed to $1 - S$ scores.

Step 2: The parent index weights are tilted by the carbon intensity S score, subject to the exponential power α . The α is set to 0.01 for the first iteration.

Step 3: The climate transition matrix and corporate target setting metrics are incorporated at the security floor and ceiling weight constraints.

Step 4: The sector tilt factors are applied to achieve the sector constraints.

Step 5: The individual security capping is applied without distorting the sector constraints.

Step 6: Based on the security weights that we get from Step 5, we check whether (B-A-C) capping has been satisfied or not. If the capping is breached, then we follow the steps below.

- ▶ We cap the weights of companies with weight greater than 9% at 9% and redistribute the excess weight among the remaining companies proportionately.
- ▶ For cases where the 4.5-36 rule is being breached, we sort the companies in descending order of their weights and find the cumulative weight at each level.
- ▶ We cap the weights of companies that have a weight greater than 4.5% and cumulative weight of greater than 36% at 4.5%. The maximum permissible weight of the securities belonging to these companies will be readjusted to a lower number based on the security's weight in the parent company and the new maximum permissible weight of that company.

Index Weighting

The index is float-adjusted market capitalization-weighted. The weights are then drifted using a tilt methodology to satisfy the portfolio constraints. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#). Indexes have a 4.5-9-36 capping. This means no single constituent can have a weight greater than 9% and the sum of those with weights greater than 4.5% cannot exceed 36%.

Index Maintenance and Calculation

Scheduled Maintenance

Semiannual Reconstitution (June and December)

The index is reconstituted, where the membership is reset, semiannually. Adjustments are made on the Monday following the third Friday of June and December. If the Monday is a holiday, reconstitution occurs on the next business day. The market, EVIC, NACE, and ESG (including emissions, product involvement, and Sustainability Activities Involvement) data used for reconstitution is as of the last trading day of May and November.

Quarterly Rebalance

The index is rebalanced quarterly and implemented after the close of business on the third Friday of March, June, September, and December and is effective the following Monday. If Monday is a holiday, rebalance is effective on the next business day. The market data used for rebalancing is as of the last trading day of February, May, August, and November. During quarterly reviews, parent index eligibility is maintained and securities with a null of severe (level of 5) controversy rating are deleted from the index. The absolute B-A-C (4.5-9-36) capping at company level is additionally maintained.

Index files are published according to the Global calendar schedule. For more information, please refer to the [Morningstar Indexes Holiday Calendar](#).

Corporate Actions

The treatment of corporate actions will be as per the float market capitalization weighted indexes. For more details, please refer to the [Morningstar Indexes Corporate Actions Methodology rulebook](#).

Index Calculation and Price Data

Details about index calculations and price data can be found in their respective rulebooks: [Morningstar Indexes Calculation Methodology](#) and [Equity Closing Prices Used for Index Calculation](#).

Methodology Review and Index Cessation Policy

The index methodology is continually reviewed to ensure it achieves all stated objectives. These reviews consider corporate action treatment, selection, and maintenance procedures. Subscribers to the index will be notified before any methodology changes are made. For more details, refer to the [Morningstar Index Methodology Change Policy](#).

Morningstar also notifies all subscribers and stakeholders of the index that circumstances might arise that require a material change to the index or a possible cessation of the index. Circumstances that could lead to an index cessation include, but are not limited to, market structure change, product definition change, inadequate supply of data, insufficient revenue associated with the index, insufficient number of clients using the index, and/or other external factors beyond the control of the Morningstar Index Methodology Committee.

Because the cessation of the index or benchmark index could disrupt subscriber products that reference this index, all subscribers are encouraged to have robust fallback procedures if an index is terminated. For more details, refer to the [Morningstar Index Cessation Process](#).

Data Correction and Precision

Intraday Index Data Corrections

Commercially reasonable efforts are made to ensure the accuracy of data used in real-time index calculations. If incorrect price or corporate action data affects index daily highs or lows, it is corrected retroactively as soon as is feasible.

Index-Related Data and Divisor Corrections

Incorrect pricing and corporate action data for individual issues in the database will generally be corrected upon detection. In addition, an incorrect divisor of an index, if discovered within two days of its occurrence, will be fixed retroactively on the day it is discovered to prevent an error from being carried forward. Commercially reasonable efforts are made to correct an older error subject to its significance and feasibility.

For more details, refer to the [Recalculation Guidelines](#).

Computational and Reporting Precision

For reporting purposes, index values are rounded to two decimal places and divisors are rounded to appropriate decimal places.

Exceptions

While Morningstar will seek to apply the method described above, the market environment, supervisory, legal, financial, or tax reasons may require an alternative approach to be adopted. A decision to take an alternative approach will be made by the relevant Morningstar Indexes Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Indexes Oversight Committee.

Appendixes

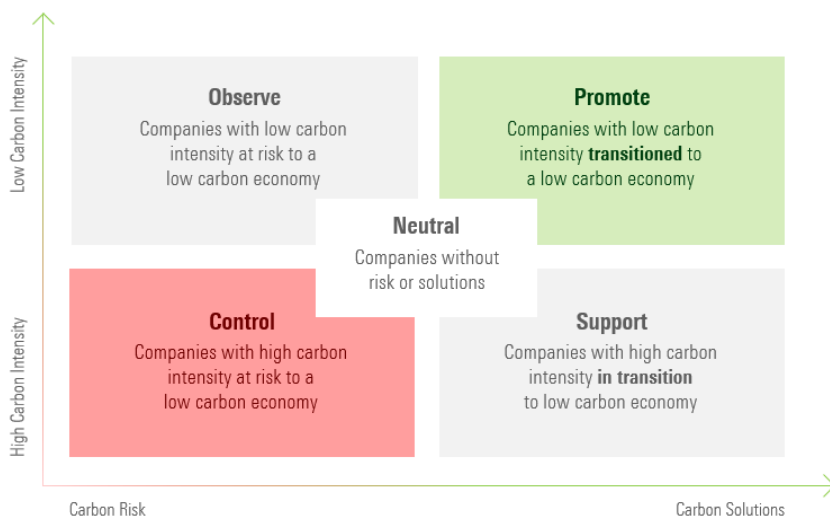
Appendix 1: Glossary

Terms	Description
Reconstitution	During each reconstitution, the steps mentioned in the index construction process are performed, resulting in membership reset.
Rebalance	During each rebalancing, the weights are adjusted for updated free-float and shares outstanding data.

Appendix 2: Morningstar Climate Transition Matrix

Prior to June 2023, the Morningstar climate transition matrix is designed to identify companies that have high or severe risk to their valuation from the transition to a low-carbon economy or that have more than 25% exposure to key business that will gain prominence in a low-carbon economy as assessed by the Sustainalytics Carbon Solutions Involvement. The other dimension evaluates the climate intensity of a company within its respective sector.

Exhibit 2 Morningstar Climate Transition Matrix



Calculation Methodology

Step 1: Assess a company for carbon risk and solution. Unless a company scores high or severe in carbon risk or derives more than 25% of its revenue from carbon solutions, it is assigned to the neutral cohort.

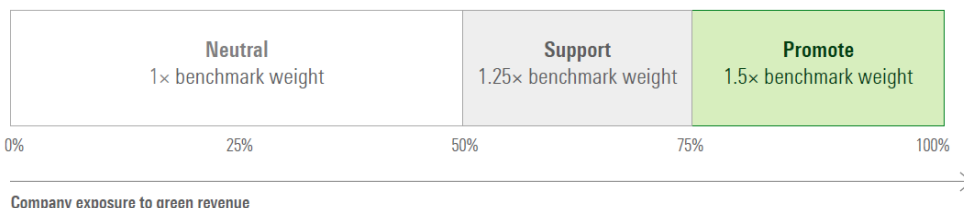
Step 2: Assess the carbon intensity of a company relative to its sector median. Assign a high or low carbon intensity category based on the comparison.

Step 3: Downweight or upweight securities relative to the parent index based on the cohort assignment.

- Control (carbon risk and high carbon intensity) cohort securities are downweighted at least 50% relative to their weight in the parent index.
- Observe (carbon risk and low carbon intensity) cohort securities are downweighted at least 25% relative to their weight in the parent Index.
- Support (carbon solution and high carbon intensity) cohort securities are upweighted at least 25% relative to their weight in the parent Index.
- Promote (carbon solution and low carbon intensity) cohort securities are upweighted at least 50% relative to their weight in the parent Index.

From June 2023, the Morningstar climate transition matrix is designed to identify companies that have high or that have at least 50% exposure to key businesses around Green Technologies that will gain prominence in a low-carbon economy as assessed by the Sustainability Carbon Solutions Involvement.

Exhibit 3 Morningstar Climate Transition Matrix



Calculation Methodology

Step 1: Assess a company based on its cumulative Sustainability Activities Involvement (Green Emerging Technologies) revenue.

Step 2: Upweight securities relative to the parent index based on the cohort assignment.

- Support (Cumulative Green Technologies revenue from 50% until 75%) cohort securities are upweighted at least 25% relative to their weight in the parent Index.
- Promote (Cumulative Green Technologies revenue from 75%) cohort securities are upweighted at least 50% relative to their weight in the parent Index.

Sustainable Activity Involvement Themes (Green Emerging Technologies)

Category	Sustainable Activity Involvement Theme
Climate Action	Consumer Electronics Energy Efficiency
	Technologies Energy Efficiency Distribution
	Transmission Energy Efficiency Distribution
	Technologies Energy Efficiency Industrials
	Technologies Energy Efficiency Materials
	Bioenergy Renewable Energy Generation
	CSP Renewable Energy Generation
	Geothermal Renewable Energy Generation
	Hydropower Renewable Energy Generation
	Ocean Renewable Energy Generation
	Solar PV Renewable Energy Generation
	Wind Renewable Energy Generation
	Technologies Maintenance Renewable Energy
	Technologies Renewable Energy
	Bioenergy Renewable Energy Support
	CSP Renewable Energy Support
Geothermal Renewable Energy Support	
Hydropower Renewable Energy Support	

	Ocean Renewable Energy Support
	Solar PV Renewable Energy Support
	Wind Renewable Energy Support
Climate Action, Resource Security	Construction Green Buildings
	Development Green Buildings
	Renovation Green Buildings
	Acquisition Green Buildings
	Technologies Maintenance Green Buildings
	Technologies Green Buildings
	Devices Green Buildings
	Equipment Green Buildings
	Professional Services Green Buildings
	Low Carbon Infrastructure Green Transportation
	Rail Infrastructure Green Transportation
	Interurban Passengers Green Transportation
	Urban Green Transportation
	Technologies Green Transportation
	Batteries Green Transportation
Technologies Green Vehicles	
Basic Needs, Resource Security	Technologies Pollution Prevention
	Hazardous Waste Management
	Technologies Water
	Construction Wastewater Services
	Construction Water supply Services
	Water Adaptation
	Wetlands Adaptation
	Construction Wastewater Infrastructure
	Construction Water supply Infrastructure
	Renewal Wastewater Infrastructure
	Renewal Water supply Infrastructure
Health Ecosystems, Resource Security	Packaged Food Sustainable Food
	Dairy Sustainable Food
	Food Distribution Sustainable Food
	Grocery Stores Sustainable Food
	Management Sustainable Forestry
	Wooden Goods Sustainable Forestry
	Aquaculture Sustainable Agriculture
	Livestock Sustainable Agriculture
	Non-Perennials Sustainable Agriculture
	Perennials Sustainable Agriculture
	Machinery Sustainable Agriculture
	Manufacturing Sustainable Agriculture
Pesticides & Fertilizers Sustainable Agriculture	
Resource Security	Machinery Recycling
	Non-Hazardous Waste Recycling Sales

Appendix 3: Corporate Target Setting

Securities are upweighted relative to the parent index based on the following conditions:

- The company publishes its annual emissions.
- The company has reduced its greenhouse gas intensity at least 7% for the last three consecutive years.
- The company has published carbon-reduction targets. This is ascertained through commitments to the Science Based Targets initiative.
 - A company that commits to a 1.5-degree scenario is upweighted by 20% relative to the parent index.
 - A company that commits to a way-below-2-degree or a 2-degree scenario is upweighted by 10% relative to the parent index

The corporate target setting is implemented from 2018 to 2020 in the backtest before the trajectory was reset based on inclusion of Scope 3 emissions. The CTS would again be implemented from 2024 going forward.

Science Based Targets Initiative

The Science Based Targets initiative drives ambitious climate action in the private sector by enabling companies to set science-based emissions-reduction targets. The initiative is a collaboration among CDP, World Resources Institute, the Worldwide Fund for Nature, and the United Nations Global Compact. Science-based targets show companies how much and how quickly they need to reduce their greenhouse gas emissions to prevent the worst effects of climate change. For a list of companies taking action or for more information on the initiative, please visit the Science Based Targets initiative [website](#).

Targets are considered science-based if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement — limiting global warming to well below 2 degrees Celsius above preindustrial levels and pursuing efforts to limit warming to 1.5 degrees.

Appendix 4: Calculation of Target Metrics**Calculation of Carbon, or Greenhouse Gas, Intensity**

The total emission of a security is defined as the sum of the scope 1, scope 2, and scope 3 emissions. Enterprise value including cash is the sum, at fiscal year-end, of the market capitalization of ordinary shares, the market capitalization of preferred shares, and the book value of total debt and noncontrolling interests, without the deduction of cash or cash equivalents. The carbon intensity of a security is defined as the ratio of the total emissions (in metric tons) adjusted for the inflation in EVIC and the EVIC of the company (in millions of U.S. dollars).

For parent index constituents where the scope 1+2+3 emissions intensity is not available, the average scope 1+2+3 emissions intensity of all the constituents of the Morningstar Global Target Market Exposure Large Mid Index in the same NACE section in which the constituent belongs is used. A valid carbon intensity value can only be calculated if both the emissions and EVIC values are available for the company.

Total Emissions = (Scope 1 + Scope 2 + Scope 3) Emissions

$$\text{Greenhouse Gas Intensity} = \frac{\text{Total Emissions}}{\text{Enterprise Value Including Cash (in Mn USD)}}$$

$$\text{Security Level Carbon Intensity} = \frac{\text{Total Emissions (1 + EVIAF)}}{\text{Enterprise Value Including Cash (in Mn USD)}}$$

$$\text{* Enterprise Value Inflation Factor (EVIAF)} = \frac{\text{Average Enterprise Value Including Cash}}{\text{Previous Average Enterprise Value Including Cash}} - 1$$

$$\text{Enterprise Value Including Cash (EVIC)} = (\text{MktCapOrdinary Shares} + \text{MktCapPreferred Shares} + \text{BV}_{\text{Debt}} + \text{NCI})$$

$$\text{Weighted Average Carbon (GHG) Intensity} = \sum(\text{Index Weight} * \text{Security Level GHG Intensity})$$

*The Inflation adjustment factor is calculated at the parent index level.

*Carbon Intensity of securities is adjusted by the EVIAF factor only during those reconstitutions when we observe an increase in the average EVIC value as compared with the previous reconstitution. In case of a decrease, the EVIAF is set to 1.

Calculation of Target High Impact NACE Section Weights

The target weight of the High Impact Sector Group is set at 1.05x its cumulative weight in the Parent Index.

Calculation of Average Decarbonization

The climate transition and Paris-aligned indexes follow a 7% decarbonization trajectory since the base date. The weighted average greenhouse gas intensity of the Index at the (n-1)th reconstitution is used to compute the target weighted average greenhouse gas intensity at any given semiannual index review, according to the following formula.

$$CI_T = CI_{T-1} * (0.93)^{(1/2)}$$

The base date for all carve-outs is set at June 19, 2023. CI_{T-1} is the achieved carbon intensity of the portfolio on the (n-1)th reconstitution date.

We also aim to achieve a min 50% reduction in greenhouse gas intensity with respect to the custom benchmark index on each reconstitution date. The minimum of these two intensity targets is set as the target portfolio intensity.

Index Name	Base Date	Benchmark intensity (MT CO ₂ /Mn USD EVIC))	Portfolio intensity (MT CO ₂ /Mn USD (EVIC))
Morningstar Developed Markets TME Paris Aligned Benchmark Sustainability Select Index	June 19, 2023	436.1	192.3
Morningstar Developed Europe TME Paris Aligned Benchmark Sustainability Select Index	June 19, 2023	721.5	288.1
Morningstar US TME Paris Aligned Benchmark Sustainability Select Index	June 19, 2023	322.2	127.6

Appendix 5: Baseline & Activity Based Exclusions

Detailed Criteria	Backfill Date	Missing Data Treatment	Threshold for exclusion
Product Revenue Involvement Screens			
Highest Controversy Level	-	Exclude	5
UNGC Compliance Status	-	Include before Dec 19, exclude from Dec 19	Non-compliant
Controversial Weapons Tailor Made & Essential – Category Level of Involvement	-	Include before Dec 19, exclude from Dec 19	CW1
Controversial Weapons Non-Tailor Made or Nonessential - Category Level of Involvement	-	Include before Dec 19, exclude from Dec 19	CW3
Adult Entertainment (Production) – Level of Involvement	Dec 19	Exclude	Greater than 5%
Adult Entertainment (Distribution) – Level of Involvement	Dec 19	Exclude	Greater than 5%
Alcoholic Beverages (Production) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Alcoholic Beverages (Retail) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Alcoholic Beverages (Related Products & Services) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Arctic Oil Extraction - Level of Involvement	Dec 19	Exclude	Greater than 5%
Gambling (Operations) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Gambling (Special Equipment) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Gambling (Supporting Products & Services) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Military Contracting Weapons - Level of Involvement	Dec 19	Exclude	Greater than 5%
Military Contracting Weapons (Products & Services) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Military Contracting Non-Weapons (Products & Services) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Oil & Gas (Production) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Oil & Gas (Generation) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Oil & Gas (Supporting Products & Services) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Shale Extraction - Level of Involvement	Dec 19	Exclude	Greater than 5%
Tobacco Products (Retail) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Tobacco Products (Supporting Products & Services) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Thermal Coal (Power Generation) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Small Arms (Civilian – Assault) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Small Arms (Civilian – Non Assault) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Small Arms (Customers) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Small Arms (Components) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Small Arms (Retail Distribution – Assault) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Small Arms (Retail Distribution – Non Assault) - Level of Involvement	Dec 19	Exclude	Greater than 5%
Tobacco Products (Production) - Level of Involvement	Dec 19	Exclude	Any involvement

Thermal Coal (Extraction) - Level of Involvement	Dec 19	Exclude	Any involvement
Thermal Coal (Supporting Products & Services) - Level of Involvement	Mar 22	Exclude	Any involvement
Thermal Coal Power Generation Revenue – Revenue Percentage	Dec 20	Exclude	a%*
Oil & Gas Power Generation Revenue – Revenue Percentage	Mar 21	Exclude	b%*

*a+b% is greater than or equal to 50%.

The null values prior to backfill dates are backfilled based on their latest available data for each of the above screens.

Appendix 6: Index Inception Date and Performance Inception Date

Index Name	Parent Index	Performance Inception Date	Inception Date
Morningstar® Developed Markets TME Paris Aligned Benchmark Sustainability Select Index	Morningstar Developed Markets Target Market Exposure Index	June 19, 2015	Nov. 27, 2023
Morningstar® Developed Europe TME Sustainability Paris Aligned Benchmark Select Index	Morningstar Developed Europe Target Market Exposure Index	June 19, 2015	Nov. 27, 2023
Morningstar® US TME Paris Aligned Benchmark Sustainability PAB Select Index	Morningstar US Target Market Exposure Index	June 19, 2015	Nov. 27, 2023

Appendix 7: Climate Impact Sectors

NACE is the European Union’s classification of economic activities. According to EU regulation, the NACE sections A, B, C, D, E, F, G, H, and L are deemed high climate impact sectors that cannot be underweight relative to their respective weights in the parent index. However, for the Morningstar Target Market Exposure Paris Aligned Benchmark Select Index, instead of not underweighting NACE Sections A, B, C, D, E, F, G, H, and L individually, we ensure that the cumulative weight of these NACE Sections is not less than 1.05x their weight in the benchmark. The other sections are left unconstrained as a part of the tilt weighting methodology. Every company in the parent index is mapped to a particular NACE section and further aggregated to form the respective sector constraint cohorts. In the backtest, for companies that had a missing NACE section in their history, the NACE data has been back-propagated as NACE is a slow-changing data. Companies for which we did not have a valid NACE section even after back-propagating have been removed from the eligible universe.

For further details regarding NACE, please refer to https://ec.europa.eu/eurostat/statistics-explained/index.php?title=NACE_background.

Appendix 8: Index Treatment in Case of Inability to Meet Required Decarbonization Target

In the off chance that the Index is unable to achieve the target decarbonization in a particular year, then we will relax the active sector constraint from being 5% of the benchmark weight for the High Impact NACE sections to 0%. If we still are unable to meet the requirement, UCITS weighting (4.5-9-36) will be relaxed to (5-10-40) instead. If we are still unable to meet the requirement, the B-A-C capping will be relaxed, and we will switch to an approach that will achieve the required

decarbonization trajectory while simultaneously try to keep the weights of the securities as close to the 5-10-40 rule. This is in compliance with the EU Regulations, and we have implemented a stricter approach in our methodology.

Appendix 9: Modifications to the Rulebook

Section	Description	Update Date
Product involvement based exclusions	Removed the following screens: <ul style="list-style-type: none"> All screens related to Ownership and Riot Control 	Dec 2024
Change in Selection Process	Selection process will be changed from a filtered universe to a parent benchmark universe.	Dec 2024

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers, and advisors in navigating investment opportunities across major asset classes, styles, and strategies. From traditional benchmarks and unique IP-driven indexes to index design, calculation, and distribution services, our solutions span an investment landscape as diverse as investors themselves.

Morningstar Indexes Methodology Committee

The Morningstar Indexes Methodology Committee oversees all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar owns the intellectual property. This committee is also charged with ensuring that indexes align with Morningstar Research principles and values. The group comprises members of the index team with index research, product development, product management, client service, index implementation, and operation expertise who provide the first layer of governance over index design and methodology.

Morningstar Indexes Operations Committee

The Morningstar Indexes Operations Committee governs the processes, systems, and exception handling of the day-to-day management of all live indexes, including index rebalancing and reconstitution, restatements, market classification, and contingency management. The committee oversees the annual review of index methodology (as required by U.K. and EU benchmark regulations, or BMR), ensuring that methodologies remain fit for purpose and continue to achieve their stated investment objectives. The group comprises members of the index team with data, operations, corporate actions, product development, index launch, client service, and index management experience who provide the first layer of governance over index operations.

Morningstar Indexes Oversight Committee

The Morningstar Indexes Oversight Committee is responsible for the index oversight function as per the requirements of the U.K. and European BMR, providing independent oversight of all aspects of the governance of benchmark administration as required by the relevant BMR. Its remit extends to all calculation and administration-related business activities of Morningstar Indexes, including administration of Morningstar-owned benchmarks as well as client-owned benchmarks and index

calculation. The oversight function is part of the organizational structure of Morningstar but is separate and independent from the index business, index management, and the other index committees.

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