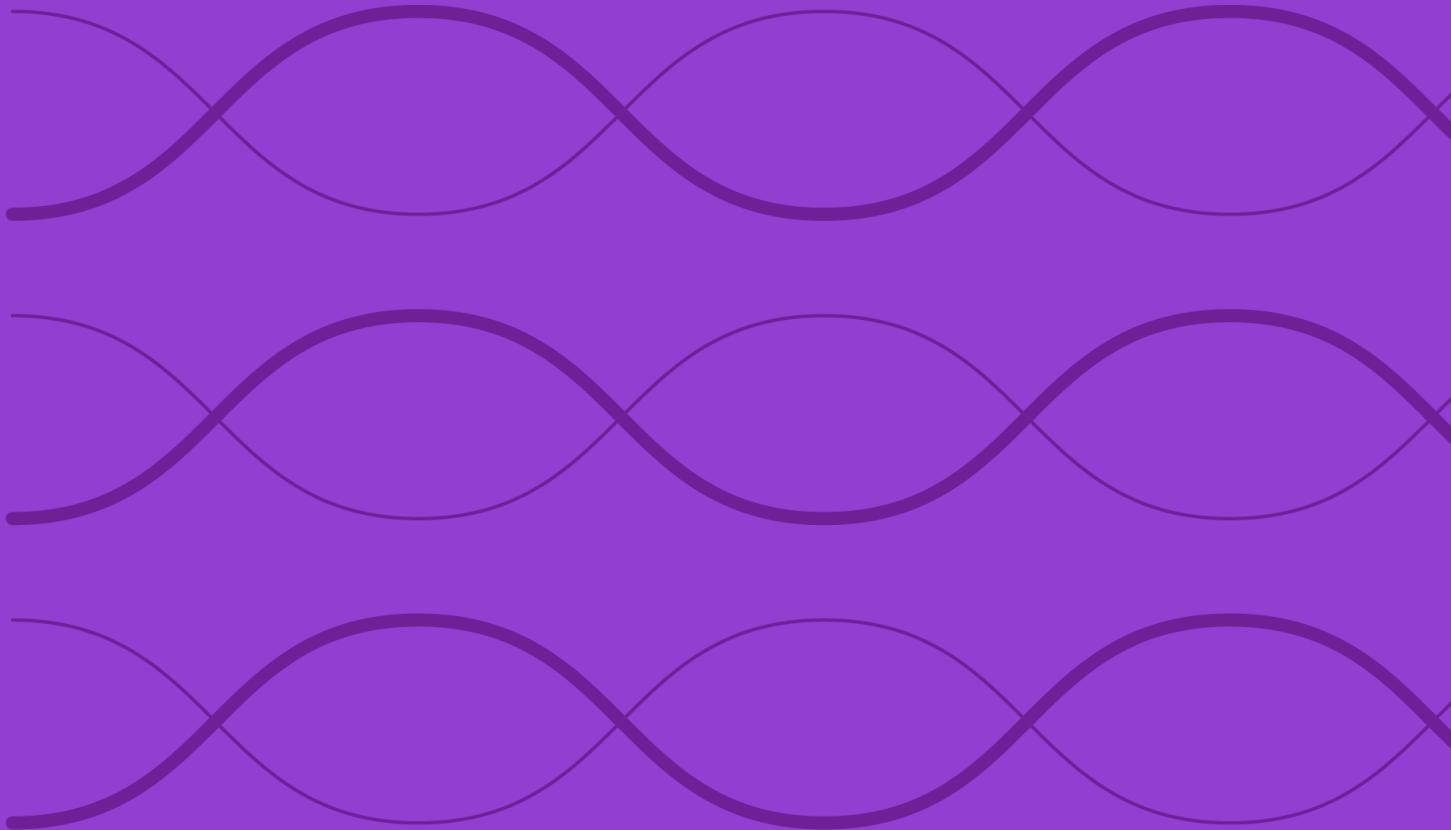


Construction Rules for the Morningstar Global REIT Indexes



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Overview

The Morningstar® Global REIT Indexes are designed to track the performance of publicly listed real estate investment trusts (REITs). The qualifying REITs are identified by Morningstar's proprietary Global Equity Classification Structure. These indexes are a subset of the Morningstar® Global Markets Index.

REITs are companies that own, and in general manage and lease, investment-grade, income-producing commercial real estate. To qualify as a REIT, companies must have at least 75% of assets in real property, and at least 75% of revenue must come from real estate. To maintain the REIT tax designation and avail the benefit of lower corporate income taxes (company receives a dividends-paid deduction), REITs are required to distribute at least 90% of their taxable income to shareholders.

These indexes do not incorporate environmental, social, or governance criteria.

Index Inception and Performance Start Date

The index inception and performance start dates, when the first back-tested index values were calculated, are shown in Appendix 3.

Index Construction

Methodology Summary

Starting Universe

- Morningstar Global Markets Index.
 - Covers stocks representing the top 97% of the investable market

Eligibility

- A security classified in any of the eight Morningstar REIT industries.
- Exclude mortgage REITs.

Portfolio Construction

- The indexes are float market-capitalization weighted.
- The indexes are reconstituted semi-annually and rebalanced quarterly.

Morningstar Global
REIT Indexes

Starting Universe

Starting Universe

At each reconstitution, securities in the Morningstar Global REIT Indexes are derived from the Morningstar Global Markets Index (benchmark), which covers securities representing the top 97% of the investable market. For more details on benchmark construction, refer to the [Construction Rules for the Morningstar Global Markets Indexes](#).

Eligibility

To be eligible for the indexes, all constituents must meet the following criteria in sequence:

- A security must be classified in one of the eight Morningstar GECS REIT industries:
 - REIT–Diversified: Self-administered REITs engaged in the acquisition, management, and disposition of diversified property holdings, with no specific portfolio composition.
 - REIT–Healthcare Facilities: Self-administered REITs engaged in the acquisition, management, and disposition of healthcare properties, including long-term care facilities, acute care and rehab hospitals, psychiatric facilities, and substance-abuse centers.
 - REIT–Hotel and Motel: Self-administered REITs engaged in the acquisition, management, and disposition of lodging properties, including full- and limited-service hotels and motels.
 - REIT–Industrial: Self-administered REITs engaged in the acquisition, management, and disposition of industrial-purpose properties, including bulk warehouses, self-storage facilities, distribution facilities, and other light-industrial facilities.
 - REIT–Office: Self-administered REITs engaged in the acquisition, management, and disposition of office properties, including office buildings, complexes, and centers.

- REIT-Residential: Self-administered REITs engaged in the acquisition, management, and disposition of residential properties, including apartments, multifamily and single-family mortgage loans, manufactured housing, mobile-home parks, and other residential properties.
- REIT-Retail: Self-administered REITs engaged in the acquisition, management, and disposition of retail properties, including community shopping centers, factory outlet shopping centers, enclosed shopping malls, strip centers, restaurants, and other retail properties.
- REIT—Specialty: Self-administered real estate investment trusts engaged in the acquisition, management, and disposition of properties not classified elsewhere. Includes trusts that operate, lease, and invest in telecom towers, advertising spaces, timberland properties, and other properties not classified elsewhere.

For more details, refer to the [Morningstar Global Equity Classification Structure](#).

- Securities identified as mortgage REITs are excluded.

All regional/country REIT indexes are derived from the Morningstar Global REIT Index. For more details, please refer to Appendix 3.

Portfolio Construction

Number of Stocks

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

Index Weighting

The indexes are float market capitalization weighted. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

Index Maintenance and Calculation

Scheduled Maintenance

The indexes are reconstituted, where the membership is reset, semi-annually. 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 data used for reconstitution is as of the last trading day of April and October.

The indexes are 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.

Refer to Appendix 2 for details on reconstitution and rebalancing.

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 indexes 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 indexes, insufficient number of clients using the indexes, and/or other external factors beyond the control of the Morningstar Index Methodology Committee.

Because the cessation of the indexes or benchmark index could disrupt subscriber products that reference these indexes, 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 calculations, corrections are applied prospectively.

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](#).

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: Modifications to the Rulebook

Section	Description of Change	Update Date
Entire Rulebook	Moved to new rulebook template	June 2023
Data Correction and Precision	Computational and Reporting Precision Section Removed	May 2025

Appendix 2: Glossary

Section	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.
Free float	<p>The free float is defined as a security's outstanding shares adjusted by block ownership to reflect only truly tradable and investable shares. A security's outstanding shares are adjusted if an entity owns 5% or more of the security through one of the following types of block ownership:</p> <ul style="list-style-type: none"> • Cross ownership—shares that are owned by other companies (including banks and life insurance companies) • Government ownership—shares that are owned by governments (central or municipal) or their agencies • Private ownership—shares that are owned by individuals or families • Restricted shares—shares that cannot be traded during a certain time period <p>However, a security's outstanding shares are not adjusted for institutional investors' holdings, which include, but are not limited to, the following categories:</p> <ul style="list-style-type: none"> • Custodian nominees • Trustee companies • Mutual funds • Investment companies • Pension fund holdings

Appendix 3: Individual Indexes

Index Name	Inception Date	Performance Inception
Morningstar Global Markets REIT Index	2016-09-14	2005-06-17
Morningstar Global Markets ex-US REIT Index	2016-09-14	2005-06-17
Morningstar Developed Markets REIT Index	2018-08-06	2005-06-17

Morningstar Developed Markets ex-US REIT Index	2016-09-14	2005-06-17
Morningstar Emerging Markets REIT Index	2016-09-14	2005-06-17
Morningstar Global Markets ex-Japan REIT Index	2017-04-25	2005-06-17
Morningstar Australia Index	2016-09-14	2005-06-17
Morningstar Japan REIT Index	2016-09-14	2005-06-17
Morningstar UK REIT Index	2016-09-14	2005-06-17
Morningstar Canada REIT Index	2016-09-14	2005-06-17
Morningstar US REIT Index	2012-11-30	1997-06-30
Morningstar Singapore REIT Index	2017-09-25	2007-12-21
Morningstar Asia Pacific REIT Index	2019-11-11	2005-06-17
Morningstar Developed Europe REIT Index	2019-09-27	2005-06-17

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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