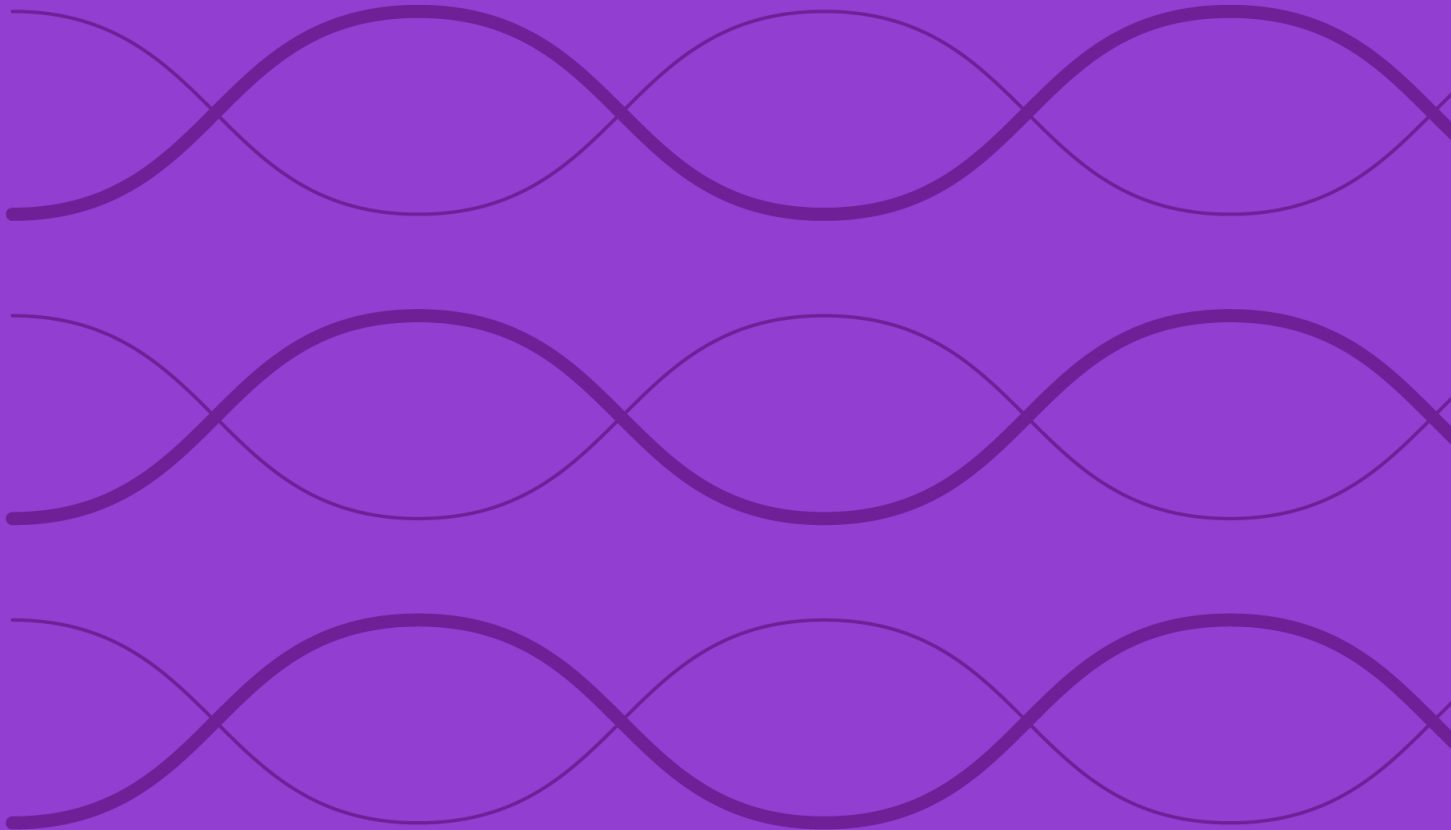


# Construction Rules for the Morningstar Global Moat Composite Indexes



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## Overview

The Morningstar Global Moat Composite Indexes measure the performance of companies with a targeted Morningstar Economic Moat Rating in their corresponding parent benchmarks. Moat ratings are determined through independent research conducted by the Morningstar Equity Research team.

For more information on the moat rating process and fair value estimation performed by Morningstar Equity Research, refer to [Morningstar Equity Research Methodology](#).

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

## Index Inception and Performance Start Date

The inception dates of the indexes as well as performance inception dates, when the first back-tested index values were calculated, are provided in Appendix 3.

## Index Construction

### Methodology Summary

Starting Universe	Eligibility	Portfolio Construction	
<ul style="list-style-type: none"> <li>• Parent index from the Morningstar Global Markets Indexes                             <ul style="list-style-type: none"> <li>○ Covers stocks representing the top 97% of the investable market</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Companies must be assigned a moat rating by Morningstar’s Equity Research Team</li> </ul>	<ul style="list-style-type: none"> <li>• All eligible stocks with the targeted moat rating are targeted for inclusion</li> <li>• Indexes are equal or market cap weighted</li> <li>• Quarterly rebalance and reconstitution</li> </ul>	

### Starting Universe

At each reconstitution, securities for the Morningstar Global Moat Composite Indexes are derived from their respective parent index (benchmark) as shown in Appendix 4. For more details on benchmark construction, refer to the construction rules of the [Morningstar Global Markets Indexes](#).

### Eligibility

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

- The company must be assigned an economic moat rating of wide, narrow, or none by Morningstar’s Equity Research team.
- Companies must have a Morningstar Economic Moat Rating corresponding to the target moat ratings as shown in Appendix 4.

### Portfolio Construction

#### Number of Stocks

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

#### Index Weighting

The index series has two variants for each of the moat exposures: Equal weighted and float market capitalization weighted, as shown in Appendix 3. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

## Index Maintenance and Calculation

### Scheduled Maintenance

The index is reconstituted, where the membership is reset, and rebalanced quarterly on the third Friday of March, June, September, and December. Adjustments are implemented after Friday's market close and reflected the following Monday. The market data used for reconstitution is as of the last trading day of February, May, August, and November.

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

The analyst data (moat rating and fair value estimates) used to reconstitute the indexes is as of the first Friday of the reconstitution month.

### Corporate Actions

For the float market capitalized indexes, the treatment of corporate actions will be as per the float market capitalization weighted indexes. For the equal weight versions of these indexes, the treatment of corporate actions will be as per the alternatively-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, eligibility requirements, 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 Indexes notifies all subscribers and stakeholders of the index that circumstances might arise that require a material change to, or a possible cessation of, the index. These circumstances are generally not within Morningstar's control and may include significant changes to the underlying market structure, inadequate access to necessary data, geo-political events, and regulatory changes. In addition, factors such as low usage or methodology convergence may result in the cessation of an index.

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 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
Entire Rulebook	Adjusted rulebook to support addition of global indexes into this index series.	November 2023
Data Correction and Precision	Removal of Computational and Reporting Precision Section	October 2024

### Appendix 2: 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 3: Morningstar Global Moat Composite Index Series

Index Name	Weighting Approach	Performance Inception Date	Calculation Inception Date
Morningstar Wide Moat Composite	Float-Adjusted Market Capitalization	September 20, 2002	March 30, 2009
Morningstar Wide Moat Composite Equal Weight	Equal Weight	September 20, 2002	March 30, 2009
Morningstar Narrow Moat	Float-Adjusted Market Capitalization	September 20, 2002	March 30, 2009
Morningstar Narrow Moat Equal Weight	Equal Weight	September 20, 2002	March 30, 2009
Morningstar No Moat	Float-Adjusted Market Capitalization	September 20, 2002	March 30, 2009
Morningstar No Moat Equal Weight	Equal Weight	September 20, 2002	March 30, 2009
Morningstar US Small-Mid Cap No Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 06, 2024
Morningstar US Small-Mid Cap No Moat Equal Weighted	Equal Weight	June 20, 2008	February 06, 2024
Morningstar US Small-Mid Cap Moat Composite	Float-Adjusted Market Capitalization	June 20, 2008	February 06, 2024
Morningstar US Small-Mid Cap Moat Composite Equal Weighted	Equal Weight	June 20, 2008	February 06, 2024



Morningstar Global Markets Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets Narrow Moat Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets No Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets No Moat Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Developed Markets ex-Australia Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 06, 2024
Morningstar Developed Markets ex-Australia Narrow Moat Equal Weighted	Equal Weight	June 20, 2008	February 06, 2024
Morningstar Developed Markets ex-Australia No Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 06, 2024
Morningstar Developed Markets ex-Australia No Moat Equal Weighted	Equal Weight	June 20, 2008	February 06, 2024
Morningstar Developed Markets ex-Australia Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2008	February 06, 2024
Morningstar Developed Markets ex-Australia Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2008	February 06, 2024
Morningstar Global Markets ex-Australia Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-Australia Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-Australia No Moat Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-Australia No Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-Australia Narrow Moat Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-Australia Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-US Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-US Narrow Moat Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-US No Moat	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024

Morningstar Global Markets ex-US No Moat Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-US Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2008	February 26, 2024
Morningstar Global Markets ex-US Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2008	February 26, 2024
Morningstar Emerging Markets Moat Composite	Float-Adjusted Market Capitalization	June 20, 2014	September 3, 2024
Morningstar Emerging Markets Moat Composite Equal Weighted	Equal Weight	June 20, 2014	September 3, 2024
Morningstar Developed Markets Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2008	November 15, 2024
Morningstar Developed Markets Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2008	November 15, 2024
Morningstar Developed Markets Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2008	November 15, 2024
Morningstar Developed Markets Narrow Moat Equal Weighted	Equal Weight	June 20, 2008	November 15, 2024
Morningstar Developed Markets No Moat	Float-Adjusted Market Capitalization	June 20, 2008	November 15, 2024
Morningstar Developed Markets No Moat Equal Weighted	Equal Weight	June 20, 2008	November 15, 2024
Morningstar Developed Markets ex-US Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-US Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-US Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-US Narrow Moat Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-US No Moat	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-US No Moat Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-North America Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-North America Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-North America Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-North America Narrow Moat Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024

Morningstar Developed Markets ex-North America No Moat	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets ex-North America No Moat Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets Europe Wide Moat Composite	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets Europe Wide Moat Composite Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets Europe Narrow Moat	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets Europe Narrow Moat Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024
Morningstar Developed Markets Europe No Moat	Float-Adjusted Market Capitalization	June 20, 2014	November 15, 2024
Morningstar Developed Markets Europe No Moat Equal Weighted	Equal Weight	June 20, 2014	November 15, 2024

#### Appendix 4: Parent Benchmarks and Target Moat Ratings

Index Name	Parent Benchmark	Target Moat Rating
Morningstar Wide Moat Composite	Morningstar US Market Index	Wide
Morningstar Wide Moat Equal Weight	Morningstar US Market Index	Wide
Morningstar Narrow Moat	Morningstar US Market Index	Narrow
Morningstar Narrow Moat Equal Weight	Morningstar US Market Index	Narrow
Morningstar No Moat	Morningstar US Market Index	None
Morningstar No Moat Equal Weight	Morningstar US Market Index	Noe
Morningstar US Small-Mid Cap No Moat	Morningstar Small-Mid Cap Index	None
Morningstar US Small-Mid Cap No Moat Equal Weighted	Morningstar Small-Mid Cap Index	None
Morningstar US Small-Mid Cap Moat Composite	Morningstar Small-Mid Cap Index	Wide & Narrow
Morningstar US Small-Mid Cap Moat Composite Equal Weighted	Morningstar Small-Mid Cap Index	Wide & Narrow
Morningstar Global Markets Narrow Moat	Morningstar Global Markets Index	Narrow
Morningstar Global Markets Narrow Moat Equal Weighted	Morningstar Global Markets Index	Narrow
Morningstar Global Markets No Moat	Morningstar Global Markets Index	None
Morningstar Global Markets No Moat Equal Weighted	Morningstar Global Markets Index	None
Morningstar Global Markets Wide Moat Composite	Morningstar Global Markets Index	Wide
Morningstar Global Markets Wide Moat Composite Equal Weighted	Morningstar Global Markets Index	Wide
Morningstar Developed Markets ex-Australia Narrow Moat	Morningstar Developed markets ex-Australia	Narrow

Morningstar Developed Markets ex-Australia Narrow Moat Equal Weighted	Morningstar Developed markets ex-Australia	Narrow
Morningstar Developed Markets ex-Australia No Moat	Morningstar Developed markets ex-Australia	None
Morningstar Developed Markets ex-Australia No Moat Equal Weighted	Morningstar Developed markets ex-Australia	None
Morningstar Developed Markets ex-Australia Wide Moat Composite	Morningstar Developed markets ex-Australia	Wide
Morningstar Developed Markets ex-Australia Wide Moat Composite Equal Weighted	Morningstar Developed markets ex-Australia	Wide
Morningstar Global Markets ex-Australia Narrow Moat	Morningstar Global Markets ex-Australia	Narrow
Morningstar Global Markets ex-Australia Narrow Moat Equal Weighted	Morningstar Global Markets ex-Australia	Narrow
Morningstar Global Markets ex-Australia No Moat	Morningstar Global Markets ex-Australia	None
Morningstar Global Markets ex-Australia No Moat Equal Weighted	Morningstar Global Markets ex-Australia	None
Morningstar Global Markets ex-Australia Wide Moat Composite	Morningstar Global Markets ex-Australia	Wide
Morningstar Global Markets ex-Australia Wide Moat Composite Equal Weighted	Morningstar Global Markets ex-Australia	Wide
Morningstar Global Markets ex-US Narrow Moat	Morningstar Global Markets ex-US	Narrow
Morningstar Global Markets ex-US Narrow Moat Equal Weighted	Morningstar Global Markets ex-US	Narrow
Morningstar Global Markets ex-US No Moat	Morningstar Global Markets ex-US	None
Morningstar Global Markets ex-US No Moat Equal Weighted	Morningstar Global Markets ex-US	None
Morningstar Global Markets ex-US Wide Moat Composite	Morningstar Global Markets ex-US	Wide
Morningstar Global Markets ex-US Wide Moat Composite Equal Weighted	Morningstar Global Markets ex-US	Wide
Morningstar Emerging Markets Moat Composite	Morningstar Emerging Markets	Wide & Narrow
Morningstar Emerging Markets Moat Composite Equal Weighted	Morningstar Emerging Markets	Wide & Narrow
Morningstar Developed Markets Wide Moat Composite	Morningstar Developed Markets	Wide
Morningstar Developed Markets Wide Moat Composite Equal Weighted	Morningstar Developed Markets	Wide
Morningstar Developed Markets Narrow Moat	Morningstar Developed Markets	Narrow
Morningstar Developed Markets Narrow Moat Equal Weighted	Morningstar Developed Markets	Narrow
Morningstar Developed Markets No Moat	Morningstar Developed Markets	None
Morningstar Developed Markets No Moat Equal Weighted	Morningstar Developed Markets	None
Morningstar Developed Markets ex-US Wide Moat Composite	Morningstar Developed Markets ex-US	Wide
Morningstar Developed Markets ex-US Wide Moat Composite Equal Weighted	Morningstar Developed Markets ex-US	Wide
Morningstar Developed Markets ex-US Narrow Moat	Morningstar Developed Markets ex-US	Narrow
Morningstar Developed Markets ex-US Narrow Moat Equal Weighted	Morningstar Developed Markets ex-US	Narrow

Morningstar Developed Markets ex-US No Moat	Morningstar Developed Markets ex-US	None
Morningstar Developed Markets ex-US No Moat Equal Weighted	Morningstar Developed Markets ex-US	None
Morningstar Developed Markets ex-North America Wide Moat Composite	Morningstar Developed Markets ex-North America	Wide
Morningstar Developed Markets ex-North America Wide Moat Composite Equal Weighted	Morningstar Developed Markets ex-North America	Wide
Morningstar Developed Markets ex-North America Narrow Moat	Morningstar Developed Markets ex-North America	Narrow
Morningstar Developed Markets ex-North America Narrow Moat Equal Weighted	Morningstar Developed Markets ex-North America	Narrow
Morningstar Developed Markets ex-North America No Moat	Morningstar Developed Markets ex-North America	None
Morningstar Developed Markets ex-North America No Moat Equal Weighted	Morningstar Developed Markets ex-North America	None
Morningstar Developed Markets Europe Wide Moat Composite	Morningstar Developed Markets Europe	Wide
Morningstar Developed Markets Europe Wide Moat Composite Equal Weighted	Morningstar Developed Markets Europe	Wide
Morningstar Developed Markets Europe Narrow Moat	Morningstar Developed Markets Europe	Narrow
Morningstar Developed Markets Europe Narrow Moat Equal Weighted	Morningstar Developed Markets Europe	Narrow
Morningstar Developed Markets Europe No Moat	Morningstar Developed Markets Europe	None
Morningstar Developed Markets Europe No Moat Equal Weighted	Morningstar Developed Markets Europe	None

## 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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