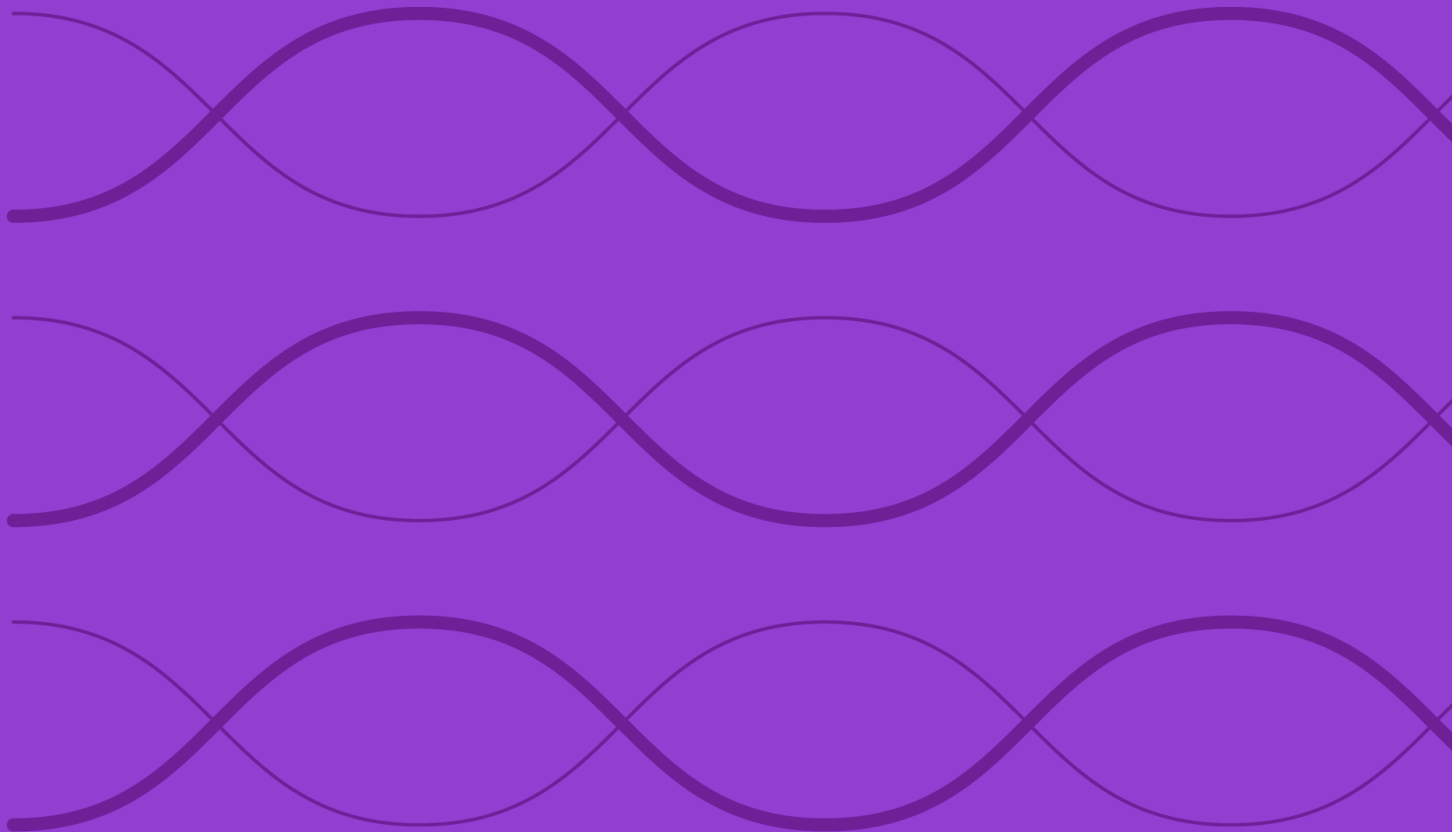


Construction Rules for the Morningstar® Global Wide Moat Composite Sector Indexes



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Overview

The Morningstar® Global Wide Moat Composite Sector Indexes measure the performance of companies from a targeted sector in the Morningstar Global Markets Index with a Morningstar® Economic Moat Rating™ of wide. Moat ratings are determined through independent research conducted by the Morningstar Equity Research team.

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

Sector classifications as based on the Morningstar Global Equity Classification Structure (GECS), which is an exhaustive and mutually exclusive taxonomy. At the foundation of the framework are 145 industry classifications, which then map to 55 industry groups. These industry groupings are bucketed into 11 sectors, each of which falls into one of three super sectors. Each equity security is mapped to the industry that best reflects its largest source of revenue and income, based on public filings and Morningstar equity analyst input. Morningstar also considers business descriptions, assets, and competitors when revenue does not paint a clear picture. Industry assignments are reviewed annually or whenever there is a major corporate action.

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

Index Inception and Performance Start Date

The index inception dates and performance start dates, when the first back-tested index values were calculated, are provided in Appendix 2.

Index Construction

Methodology Summary

Starting Universe

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

Eligibility

- Companies must be assigned a 'wide' Economic Moat Rating by Morningstar's Equity Research team
- Stocks must have a GECS industry assignment to qualify for inclusion

Portfolio Construction

- All eligible stocks with a sector classification corresponding to the exposure targeted by each index are selected
- Indexes are equal or market cap weighted
- Quarterly Rebalance and reconstitution

Morningstar® Global Wide Moat Composite Sector Indexes

Starting Universe

At each reconstitution, constituents of the Morningstar® Global Wide Moat Composite Sector Indexes are derived from the Morningstar Global Markets Index (benchmark), which covers stocks representing the top 97% of the investable market by market capitalization. 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 securities must meet the following eligibility criteria:

- The company must be assigned a Morningstar Economic Moat Rating of 'wide' by Morningstar's Equity Research team.
- Companies must have a GECS sector classification corresponding to the targeted sector as shown in Appendix 3.
 - Each benchmark constituent is considered for one of the 145 industries and 11 sectors, which are then consolidated into three Super Sectors which are a broader representation of Morningstar sectors.
 - Cyclical Super Sectors
 - Basic materials
 - Consumer cyclical
 - Financial services
 - Real Estate
 - Defensive Super Sectors
 - Consumer defensive
 - Healthcare

- Utilities
- Sensitive Super Sector
 - Energy
 - Industrials
 - Technology

The [Morningstar Global Equity Classification Structure Rulebook](#) provides further details on the sector definitions.

Portfolio Construction

All eligible wide moat stocks under the relevant sector are targeted for inclusion.

Number of Stocks

The number of stocks in the index is variable, subject to the size of the starting universe and the application of eligibility criteria at the time of reconstitution.

Index Weighting

There are equal weighted and float market capitalization weighted indexes for each sector, as shown in Appendix 3. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

Index Maintenance and Calculation

Reconstitution and Rebalancing

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. If Monday is an index holiday, reconstitution is reflected the next business day. 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](#).

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 Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index 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 Global Wide Moat Composite Sector Index Series

Index Name	Performance Start Date	Calculation Inception Date
Morningstar Global Markets Consumer Cyclical Wide Moat Composite Equal Weight Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Consumer Cyclical Wide Moat Composite Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Consumer Defensive Wide Moat Composite Equal Weight Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Consumer Defensive Wide Moat Composite Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Financial Services Wide Moat Composite Equal Weight Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Financial Services Wide Moat Composite Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Healthcare Wide Moat Composite Equal Weight Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Healthcare Wide Moat Composite Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Industrials Wide Moat Composite Equal Weight Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Industrials Wide Moat Composite Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Technology Wide Moat Composite Equal Weight Index	June 20, 2008	April 26, 2024
Morningstar Global Markets Technology Wide Moat Composite Index	June 20, 2008	April 26, 2024

Appendix 3: Weighting Approach and Target Sector

Index Name	Weighting Approach	Target Sector
Morningstar Global Markets Consumer Cyclical Wide Moat Composite Equal Weight Index	Equal Weighted	Consumer Cyclical

Morningstar Global Markets Consumer Cyclical Wide Moat Composite Index	Float-Adjusted Market Capitalization	Consumer Cyclical
Morningstar Global Markets Consumer Defensive Wide Moat Composite Equal Weight Index	Equal Weighted	Consumer Defensive
Morningstar Global Markets Consumer Defensive Wide Moat Composite Index	Float-Adjusted Market Capitalization	Consumer Defensive
Morningstar Global Markets Financial Services Wide Moat Composite Equal Weight Index	Equal Weighted	Financial Services
Morningstar Global Markets Financial Services Wide Moat Composite Index	Float-Adjusted Market Capitalization	Financial Services
Morningstar Global Markets Healthcare Wide Moat Composite Equal Weight Index	Equal Weighted	Healthcare
Morningstar Global Markets Healthcare Wide Moat Composite Index	Float-Adjusted Market Capitalization	Healthcare
Morningstar Global Markets Industrials Wide Moat Composite Equal Weight Index	Equal Weighted	Industrials
Morningstar Global Markets Industrials Wide Moat Composite Index	Float-Adjusted Market Capitalization	Industrials
Morningstar Global Markets Technology Wide Moat Composite Equal Weight Index	Equal Weighted	Technology
Morningstar Global Markets Technology Wide Moat Composite Index	Float-Adjusted Market Capitalization	Technology

Appendix 4: Modifications to the Rulebook

Section	Description of Change	Update Date
Data Correction and Precision	Computational and Reporting Precision Section removed	May 2025

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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