Construction Rules for the Morningstar Global Bond Infrastructure Indexes

June 2025

Contents

Overview

The Morningstar Global Bond Infrastructure Indexes are broadly diversified indexes that provide global and multicurrency exposure to corporate debt issuers identified as infrastructure related companies and security issuers using Morningstar's infrastructure asset class definition.

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

Index Inception and Performance Start Date

The inception date of the Morningstar Global Bond Infrastructure Index is September 01, 2014, and the performance start date, when the first back-tested index value was calculated is December 31, 2003.

Index Construction

Methodology Summary

Starting Universe	Eligibility	Portfolio Construction	
• Morningstar Global Core Bond Index • Morningstar Switzerland Core Bond Index • Morningstar US High Yield Bond Index • Morningstar Emerging Market Corporate Bond Index • the legacy Credit Suisse universe	• Companies assigned to one of 18 infrastructure related industries as defined by the Morningstar Infrastructure Taxonomy are eligible for index inclusion	• Constituents are weighted according to market value • A 50% cap is placed on the weight of any individual sector	Morningstar Global Bond Infrastructure Index

Index Construction

Eligibility rules for each index are applied based on the criteria described in this section. Each criterion is applied only to the "survivors" of the criteria applied previously.

The index methodology balances the need for adequate market coverage with that of easy replication and diversification. This is achieved by excluding smaller issues that are difficult to purchase and impose heavier transaction costs. A security must meet the following criteria:

Starting Universe

Effective January 31, 2024 the starting universe consists of:

1) A legacy set of grandfathered bonds from the index's January 2024 portfolio (as calculated by Credit Suisse)
2) Bonds issued after December 31, 2023 that are constituents of the following Morningstar Indexes:
   - Morningstar Global Core Bond Index
   - Morningstar Switzerland Core Bond Index
   - Morningstar US High Yield Bond Index
   - Morningstar Emerging Market Corporate Bond Index

Additional details on these indexes may be found in Morningstar's Construction Rules for the Morningstar Bond Indexes. The universe of bonds for constructing the Morningstar Global Bond Infrastructure Index prior to January 31, 2024 may be found in Appendix 2.

Sector/ Industry Selection

To be eligible for the Morningstar Global Bond Infrastructure Index, securities must be assigned to an infrastructure industry based on the Infrastructure Taxonomy. For details on the Infrastructure Taxonomy, refer to Appendix 4.

Security Selection

Legacy universe: All securities from the legacy set of grandfathered bonds from the index's January 2024 portfolio (as calculated by Credit Suisse) will be selected for the index so long as the securities meet the legacy minimum par amount outstanding criteria, minimum time to maturity criteria, and minimum credit quality requirements as specified in the table below.

Bonds issued after December 31, 2023 from the Morningstar Index universe, which meet the definition of infrastructure must also meet all of the criteria in the table below for index inclusion:

Bond asset class	Corporate or quasi sovereign[1]

[1] Quasi sovereign is defined as a corporation with more than 50% government ownership.

Minimum maturity	At entry: 24 months to final maturity To remain: 12 months to final maturity [2]
Eligible currencies & minimum par amount outstanding	see table below
Country of risk	There are no restrictions on the country of risk
Credit quality	An investment grade (BBB3 and above) composite rating is required for investment grade securities denominated in AUD, CAD, CHF, EUR, GBP, and USD. High yield issues which are USD denominated are eligible for the index. A below investment grade composite rating of CCC2 to BB2 is required for initial inclusion from the Morningstar high yield universe. Securities falling below CCC2 are retained in the index.
Security types and features	Legacy universe: Eligible: Bonds must have a fixed rate coupon and a final stated maturity. Bonds with embedded options such as calls and puts,

Eligible currencies & minimum par amount outstanding:

Currency	Legacy universe	Morningstar universe
AUD	250 million	200 million
CAD	250 million	200 million
CHF	250 million	300 million
EUR	500 million	500 million
GBP	250 million	250 million
USD	IG: 300 million HY: 500 million	IG: 500 million HY: 250 million

[2] Prior to January 31, 2024 the minimum remaining time to maturity was 13 months.

	sinking funds and bonds issued under Regulation S are eligible for inclusion. Excluded: Fixed-to-floating rate, payment-in-kind (PIK), subordinated debt, loans, supranational, perpetual and Sukuk (Islamic bonds), bonds in default[3], illiquid bonds[4], 144A securities Morningstar universe: Eligible: Bonds must have a fixed rate coupon and a final stated maturity. RegS bonds eligible for Morningstar universe are eligible for inclusion in the index. US high yield bonds with embedded options such as calls and puts are eligible for inclusion. Excluded: Fixed-to-floating rate, payment-in-kind (PIK), subordinated debt, loans, supranational, perpetual and Sukuk (Islamic bonds), bonds in default[5], illiquid bonds[6], 144A securities, investment grade bonds with embedded options such as calls and puts.

Sector Constraints

At each monthly rebalancing, the index is constrained so that no infrastructure sector (Education, Energy, Utilities, Transportation & Infrastructure, and Communication & Telecom Assets) is greater than 50% of the total market value of the overall index measured in the base currency. If the sector constraint is exceeded as a result of the monthly drift, the security weights in the sector are reduced on a pro rata basis and the excess weight is allocated on a pro rata basis to the remaining index constituents i.e. the excess weight is redistributed on a market weighted basis to the other issuers in the index outside of the capped sector. The new set of market weights is used to derive adjusted par amounts for each security, which remain static until the next monthly rebalancing. Effective January 31, 2024, Energy and Utilities are capped together as a single sector at 50%[7].

Number of Securities

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

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[3] Corporate issuers that default will be removed at the next rebalancing. Bonds are considered in default for failure to make a scheduled coupon and/or principal payment or if a company files bankruptcy papers (or the local market equivalent).
[4] A bond is deemed illiquid when pricing on a consistent basis is unavailable or becomes unavailable. Bonds with limited liquidity may be removed at the discretion of the Morningstar Index Operations Committee.
[5] Corporate issuers that default will be removed at the next rebalancing. Bonds are considered in default for failure to make a scheduled coupon and/or principal payment or if a company files bankruptcy papers (or the local market equivalent).
[6] A bond is deemed illiquid when pricing on a consistent basis is unavailable or becomes unavailable. Bonds with limited liquidity may be removed at the discretion of the Morningstar Index Operations Committee.
[7] Prior to January 31, 2024 Energy and Utilities each had a separate 50% cap. The change was made due to differences in the sector schema used by Credit Suisse and ICE.

Morningstar Emerging Markets Bond Infrastructure Index

The Morningstar Emerging Markets Bond Infrastructure Index is a sub-index of the Morningstar Global Bond Infrastructure Index. All rules of the Morningstar Global Bond Infrastructure Index apply, except that issuers' country of risk must be from an Emerging Market as defined by Morningstar and no sector capping constraints are applied. For details on the Emerging Market countries, refer to Appendix 3.

The inception date of the Morningstar Emerging Markets Bond Infrastructure Index is January 02, 2018, and the performance start date, when the first back-tested index value was calculated is December 31, 2003.

Morningstar USD Denominated Global Bond Infrastructure Index

The Morningstar USD Denominated Global Bond Infrastructure Index is a sub-index of the Morningstar Global Bond Infrastructure Index. All rules of the Morningstar Global Bond Infrastructure Index apply, except that only USD denominated issues are eligible. Security weights are taken from the sector-capped parent index and then subsequently rescaled to a total of 100%.

The inception date of the Morningstar USD Denominated Global Bond Infrastructure Index is February 6, 2015, and the performance start date, when the first back-tested index value was calculated is December 01, 2014.

Morningstar Non-USD Denominated Global Bond Infrastructure Index

The Morningstar USD Denominated Global Bond Infrastructure Index is a sub-index of the Morningstar Global Bond Infrastructure Index. All rules of the Morningstar Global Bond Infrastructure Index apply, except that USD denominated issues are not eligible for inclusion. Security weights are taken from the sector-capped parent index and then subsequently rescaled to a total of 100%.

The inception date of the Morningstar Non-USD Denominated Global Bond Infrastructure Index is February 6, 2015, and the performance start date, when the first back-tested index value was calculated is December 01, 2014.

Index Maintenance and Calculation

Base Currency

The base currency for the calculation of security, portfolio, and index values is USD. In addition to the base currency, index returns are also calculated in EUR and GBP.

Scheduled Maintenance

Rebalances occur monthly and are implemented after the last calendar day of each month, based on information available up to and including the rebalancing lockout date, which is the third business day before the last business day of the month. The term information available includes information received and/or processed after the rebalancing lockout date but that was announced or publicly available before the rebalancing lockout date.

Except as otherwise noted, no changes will be made to the index constituents after the rebalancing lockout date unless Morningstar considers a change to be necessary to be consistent with changing market conditions. Changes that occur after the rebalancing lockout date will be deferred until the following month-end rebalancing. This includes new issues, rating changes, balance changes, and noncritical corporate actions.

New index eligible bonds will be included in the index at the rebalance immediately after the date when pricing is available for these bonds. At each monthly rebalancing, all index selection rules, except country selection, are reapplied. Qualification for country inclusion is determined annually in August and incorporated in June the following year, except in cases of significant market events. Changes to the portfolio reflect repayments, new issuance, exchanges, exercised options, or rating changes. The beginning of month weights for the forward month are fixed, after the close, on the last calendar day of each month.

Index Calculation and Price Data

Overview

Morningstar partners with a third-party calculation agent, ICE Data Indices, to calculate the indexes. This agency calculates the actual change in all measured characteristics of the respective indexes daily. All of the index measures are calculated for all levels of the aggregate indexes, including the individual bonds that make up the indexes.

From inception to January 31, 2024, the index was calculated by Credit Suisse on behalf of Morningstar. After this date, the index calculations are performed by ICE Data Indices on behalf of Morningstar.

Market value weighting with sector capping is used for all index characteristics. The rebalanced weights are determined as of the last business day of each month.

Pricing, Trading, Settlement, and Transaction Costs

Indicative bid side prices are used for all index calculations and are provided daily by outside pricing sources. Bid prices are used when securities are added to an index. Transaction costs and tax consequences are ignored.

Index Calculations

Details on index calculations can be found in the Morningstar Global Bond rulebook.

Trading and settlement of these securities follow local market conventions. The indexes do not take transaction costs (bid-offer spreads) or tax withholdings into account.

Holiday Rules

Weekdays on which WM Reuters does not publish closing foreign exchange rates are treated as “global holidays”. Indexes are not published on Global Holidays unless they fall on the last calendar day of the month. In that case, prices are updated in all local markets that are open. In markets that are closed, prices will be carried forward (rolled) from the prior business day and accrued interest will be calculated for the new settlement date.

Effective September 30, 2023, indexes will be calculated on days designed as Global Holidays when there is a Securities Industry and Financial Markets Association (SIFMA) recommendation of trading in fixed income securities in the US. On certain occasions around the timing of key economic data releases, SIFMA will recommend a partial trading day for US fixed income on what would otherwise be a Global Holiday. Since FX fixing rates would not be available from the source on these days, the FX spot and forward rates would be rolled from the prior Global Business Day.

Index files will not be delivered on New Year's Day, Christmas Day, or Good Friday.

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 Indexes 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. 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 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.

Sanctions

Morningstar Indexes reviews and addresses treatment of debt securities from issuers that have been sanctioned or put on a trading prohibition list by US, European Union, or other regulatory authorities on a case-by-case basis.

New debt issuances from sanctioned entities are not eligible for the Morningstar Indexes. Clients will be notified of identified issuers that require blockage of new issuances from entering the Morningstar Fixed Income Indexes and effective implementation date of the block. Existing debt issuances may remain in the Indexes unless sanctions require divestiture, or liquidity and investibility does not meet a sufficient level, as determined by Morningstar Indexes.

The removal of securities from sanctioned entities in between or at upcoming rebalance periods may be required to ensure the ongoing investibility of the indexes. Morningstar Indexes may consult clients on any such removals deemed necessary. Removal decisions will be reviewed and approved by the Morningstar Index Methodology Committee and will be communicated to clients via notifications and proforma files where available.

In the event that sanctions are removed, the Morningstar Index Methodology Committee will review securities from the previously restricted entities to determine whether such securities meet all index eligibility criteria. If approved to enter or re-enter the Morningstar Indexes, clients will receive notifications and the addition will be reflected in proforma files where available.

Exceptions

While Morningstar will seek to apply the methodology as described within this document, 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 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: Modifications to the Rulebook

Section	Description of Change	Update Date
Data Correction and Precision	Added a Sanctions Section	March 2022
Appendix	Made updates to the Bond Universe list	May 2022
Appendix	Made updates to the Bond Universe list	March 2023
Entire rulebook	Moved to a new template, added an Exceptions Section	October 2023
Entire rulebook	Updated rules to reflect the change in calculation agent from Credit Suisse to ICE and related methodology changes, effective January 31, 2024.	January 2024
Entire rulebook	Made updates to the governance language	May 2024
Entire rulebook	Minor formatting changes Removed Computational and Reporting Precision Section	June 2025

Appendix 2: Bond Universe

Prior to January 31, 2024 the universe of bonds for constructing the indexes consisted of the following set of indexes and bond universes as provided by Credit Suisse:

- Liquid Swiss Index (LSI)
- Liquid European Index EUR (LEI EUR)
- Liquid European Index GBP (LEI GBP)
- Liquid US Corporate Index (LUCI)
- Liquid US Corporate Index PLUS (LUCI PLUS)
- Liquid US High Yield Index (LUHY)
- A collection of AUD and CAD corporate bonds
- A collection of USD-denominated corporate and quasi-sovereign bonds from emerging markets including Latin America, Asia, Eastern Europe, Middle East and Africa[8]

Appendix 3: Eligible Emerging Market Countries

The list of Emerging Market countries is maintained in the Morningstar Global Bond rulebook.

Appendix 4: Infrastructure Taxonomy Overview

The Infrastructure Taxonomy consists of 18 industries that meet the Morningstar definition of the infrastructure asset class. The industries fall into one of the five segments that are organized into two Super Sectors, social and economic, as shown below.

For more details regarding sectors and super sectors, please refer to the Morningstar Global Equity Classification Structure rulebook.

[8] Prior to April 1, 2023 the eligible bond universe included the Credit Suisse Latin America Corporate Bond Index (CS-LACI), Credit Suisse Asian Bond Index (CS-ABI), Credit Suisse Eastern Europe Corporate Index (EEI), and Credit Suisse Middle East and Africa Corporate Index (MACI).

Global infrastructure

SOCIAL INFRASTRUCTURE	ECONOMIC INFRASTRUCTURE			
Social	**Energy**	**Utilities**	**Transportation & infrastructure**	**Communication & telecom assets**
Education	Oil & gas midstream	Waste management	Airports & air services	Communication assets
Medical care		Electric utilities	Highways & toll roads	Cell towers & satellite
Managed & long-term care facilities		Gas utilities	Integrated shipping, logistics, & land transport	
		Diversified utilities	Shipping, ports, & marine transport	
		Water utilities	Railroads	
			Infrastructure operations	
			Engineering & construction	

Industry Assignments
Each security eligible for the index is classified into one of the 18 infrastructure business categories that most accurately reflect the company's underlying business. ICE sector classifications are then used to map securities to these business categories and infrastructure buckets. Refer to the ICE Sector Classification provided below.

Infrastructure Asset Class Definition
The infrastructure asset class generally has long-duration assets that elicit stable and predictable cash flows. High entry barriers and monopolistic business models, paired with inelastic demand for essential services provided by infrastructure companies, result in predictable revenue that is often indexed to inflation. Furthermore, the two main revenue drivers, pricing and volume, have particular characteristics within this space. Prices are generally tied to long-term contracts and/or regulation and are often adjusted with inflation. Volume tends to grow steadily because of inelastic demand, efficiencies of scale, and increasing GDP. Hence, in periods of rising inflation, infrastructure investments act as a real asset. Additionally, in times of economic contraction, such businesses tend to have defensive characteristics, since they are relatively insulated due to stable demand irrespective of the economic cycle.

Infrastructure Business Category Definitions
The following definitions govern industry assignment when evaluating business segment revenue and income for classification purposes.

Communication and Telecom Assets

Communication Equipment
Communication infrastructure is defined as those companies that offer equity and own and operate cell towers or satellites, and primarily generate revenue from long-term contracts that lease access to these assets. Cell tower owners often enjoy 10- to 15-year contracts that are indexed to inflation. Similarly, satellite owners lease bandwidth and are regulated with high

barriers to entry. Included in the bond subindex are companies that manufacture telecommunications equipment, telecom technology-related products, hardware, and raw materials required for telecommunications systems.

Energy

Oil and Gas Midstream
Companies that own and operate oilfield pipelines and gather, process, and transport natural crude petroleum. This industry includes companies that process, store, market, and transport bulk natural gas, liquefied natural gas, refined petroleum products, crude oil, and to a lesser extent ethanol, coal, and carbon dioxide. Pipelines are characterized by relatively high barriers to entry, high capital costs, and significant regulatory oversight. While there is ample competition among midstream firms, once a pipeline is in service it demonstrates excess returns.

Social

Education
A handful of major universities worldwide issue corporate bonds to fund the growth and development of their facilities. These are generally private, not-for-profit institutions with high credit ratings and large capital investment and improvement programs.

Medical Care
The healthcare provider industry includes acute-care hospitals, ambulatory surgical centers, dialysis facilities, rehabilitation clinics, and other healthcare-service companies. They provide essential inpatient and outpatient medical services, including clinical visits, emergency care, rehabilitation, and surgical procedures. Healthcare providers generally compete in a fragmented industry, with a majority of revenue stemming from government-controlled reimbursements. Healthcare providers generally have a steady stream of patients that provide stable cash flows despite modest reimbursement concerns. An aging demographic shift in many global developed markets also supports an attractive growth trend for the industry.

Managed and Long-Term Care Facilities
Long-term care providers, including long-term care hospitals, nursing centers, assisted living facilities, retirement communities, and home health and hospice services, fill a wide range of medical needs for patients requiring varying levels of assistance over extended periods of time. This industry maintains a relatively stable inflow of patients and will likely become increasingly important as the result of an aging population demographic in numerous developed countries over the coming decades. These facilities largely depend on government payments, which keeps profitability relatively low. However, facilities with less-intensive medical requirements, such as retirement communities, generally operate more like real estate companies that provide modest value-added medical services.

Transportation and Infrastructure

Airports and Air Services
Air-services companies include helicopter transportation, air-charter services, and other air emergency and business-related services. Public and private operators work within implied or granted authority to manage all the workings of the airport. Acquiring the rights to operate and manage an airport from the government is the most important source of competitive advantage. Returns on capital are driven by regulated revenue, related to tariffs charged to passengers and airline customers, and by more profitable sales of nonregulated, or commercial, items. Most operators are generally given decades-long rights

to operate and manage airports. However, some governments do not allow operators to earn significant excess returns on capital, treating the airport more like a regulated utility than a private business.

Railroads

Companies that transport passengers and freight by line-haul railroad. Railroads haul coal, chemicals, grain, shipping containers, automobiles, and myriad other commodities. Unlike those in many other regions, North American railroads generally own the land or rights of way, track, and terminals over which they operate, plus motive power and most rolling stock. While other transportation modes like barges, aircraft, and trucks also haul freight, railroads are the lowest-cost option by far when no waterway connects the origin and destination. Furthermore, railroads operate at an efficient scale.

Highways and Toll Roads

Public or private highways and toll roads are sometimes permanently financed by debt issued in the corporate market. These entities are included in the bond subindex along with companies that construct or own highways or highway-related facilities.

Shipping, Ports, and Marine Transport

Companies that transport freight and cargo via water are vital to worldwide trade. Container shipping and terminals that focus on multiple modes of freight transport via shipping containers require a substantial infrastructure investment. In the marine segment, inland tank barge providers move bulk liquid cargo throughout waterway systems, while the large steamship lines concentrate on shipping containerized ocean freight, and the ports process containers and break down bulk cargo. On the other hand, competitive advantages exist in the inland barging industry and among port operators, as certain firms should continue to benefit from scale economies and related cost advantages.

Infrastructure Operations

Companies that develop, finance, maintain, and manage infrastructure operations such as airports and roadways. Infrastructure operations firms comprise business lines that span industries, geographies, and customer markets contained under one parent or holding company. These companies are similar to concessionaires in the public-private partnership space within the engineering and construction industry.

Integrated Shipping, Logistics, and Land Transport

Companies that transport freight and cargo via diversified methods such as trucks, airline, water, and railways. This industry again permits exposure to a wide range of infrastructure operations, but is more specifically focused on transportation assets. Third-party logistics, or 3PL, providers typically operate asset-light business models, buying capacity from asset-based carriers and reselling it to shippers to earn a spread. The 3PL industry includes domestic truck brokers and air and ocean forwarders. Global integrators such as FedEx and UPS not only provide domestic and intercontinental express package delivery but also participate to a significant degree in the 3PL space. Network effect is normally the key source of competitive advantage. Only a handful of integrated shippers have sufficient scale to offer global parcel delivery service, and this oligopolistic market structure enables more pricing power than if a greater number of firms competed on an international scale. Among the asset-intensive global integrators, competitive advantage is often built by a combination of cost advantage (scale economies), efficient scale, and the network effect. In terms of scale-based cost advantage, the need for global distribution infrastructure and heavy capital investment to compete in international and domestic-express markets is a primary reason there are few providers in the space—DHL, FedEx, UPS, and TNT control the vast majority of the market.

Engineering and Construction
Companies in public-private partnerships that specialize in the design, construction, or contracting of large infrastructure building projects. This industry permits exposure to diversified infrastructure investments. The focus lies on firms that generate the majority of their revenue from building and operating toll roads, tunnels, bridges, railways, airports, seaports, and similar capital-intensive infrastructure. These engineering-services firms provide the expertise, services, and equipment necessary to efficiently and cost-effectively solve complex problems in often challenging operating environments. These firms are often asked to solve some of the most difficult engineering problems on the planet while operating in deeply hostile environments, and customers are very reluctant to use unproven providers because a mistake can cost hundreds of millions of dollars.

Utilities

Regulated Utilities
Regulated utilities generally own difficult-to-replicate distribution, transmission, and generation networks that produce and deliver energy sources such as electricity, natural gas, oil, propane, or water. Regulators must allow a reasonable opportunity for a utility to recover its operating and capital costs through customer rates. Service-territory monopolies and efficient-scale advantages are the primary sources of competitive advantage for regulated utilities. State and federal regulators typically grant regulated utilities exclusive rights to charge customers rates that allow the utilities to earn a fair return on and return of the capital they invest to build, operate, and maintain their distribution networks. In exchange for regulated utilities' service-territory monopolies, state and federal regulators typically set returns at levels that aim to minimize customer costs while offering fair returns for capital providers.

Diversified Utilities
Companies that generate, transmit, and/or distribute electricity and natural gas, and own and operate merchant power generation facilities and energy marketing operations.

Electric Utilities
Companies that generate, transmit, and/or distribute electric energy for sale.

Gas Utilities
Companies that transmit, store, and/or distribute natural gas.

Water Utilities
Companies that distribute water for sale.

Waste Management
Companies that collect, treat, store, transfer, recycle, and dispose of waste materials as well as companies that support environmental, engineering, and consulting services. Vertically integrated waste management companies establish collection routes around a network of physical assets, such as landfills, incinerators, and recycling centers. Non-hazardous-waste vendors handle the majority of trash generated by municipal, industrial, and commercial customers. Hazardous-waste companies are subject to greater regulation and often handle specific types of waste, such as medical or radioactive. Hazardous-waste handlers benefit from regulatory permits on the collections side of the business. Owning a landfill or incinerator can be a competitive advantage in countries with strict waste-handling regulations. Owning disposal capacity leads to pricing power in the industry, which provides the foundation for predictable, annuity-type cash flows. The necessity

of waste handling provides some assurance for a basic level of demand throughout the economic cycle. Regulatory permits are valuable intangible assets that secure exclusive rights to run a disposal asset for 10-20 years on average. As such, the owners of landfills or incinerator sites develop the ability to set the price.

ICE Sector Classification

Based on the above Infrastructure Industry assignments, bonds issued after December 31, 2023, which are constituents of the Morningstar universe will be eligible for the index. Accordingly, the bonds classified as per ICE's sector schema as mentioned below are eligible for the index.

(Refer to next page)

Infrastructure Bucket	Level 3 Industry Classification	Level 4 Industry Classification	Uniform Subindustry Code
Social	Services	Support-Services	Educational Services
	Healthcare	Health Facilities	Hospitals
			Inpatient Assisted Living & Hospice
			Outpatient Clinics
			Home Healthcare Providers
		Health Services	Medical Services
	Real Estate	REITs	Healthcare REITs
Utilities	Utility	Electric-Distr/Trans	Electricity Distribution & Transmission
		Electric-Generation	Electricity Generation - Non-Renewable
			Electricity Generation - Renewable
			Integrated Electricity
		Electric-Integrated	Integrated Electricity
			Multi-Utilities
			Electricity Generation - Renewable
		Non-Electric Utilities	Wastewater & Desalination
			Natural Gas
			Oil & Gas Pipelines & Storage
			Potable Water
			Multi-Utilities
	Asset Backed	ABS Utilities	ABS Utilities
Energy	Energy	Gas Distribution	Natural Gas
			Oil & Gas Pipelines & Storage
Communication & Telecom Assets	Real Estate	REITs	Communication REITs
	Technology & Electronics	Tech Hardware & Equipment	Communications Equipment
			Network Infrastructure
Transportation & Infrastructure	Transportation	Air Transportation	Air Freight
		Transport Infrastructure/Services	Truck Freight
			Road & Railway Construction & Operation
			Airport & Terminal Services
			Passenger Rail & Bus Transportation
			Maritime Freight
			Freight Logistics
			Rail Freight
			Oil & Gas Freight
		Trucking & Delivery	Truck Freight
		Rail	Rail Freight
			Passenger Rail & Bus Transportation
	Basic Industry	Building & Construction	Construction
			Construction Engineering & Services

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 Index Methodology Committee

The Morningstar Index Methodology Committee oversees all new indexes 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 is comprised of 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 Index Operations Committee

The Morningstar Index 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 UK & EU Benchmark Regulations "BMR"), ensuring methodologies remain fit for purpose and continue to achieve their stated investment objectives. The group is comprised of 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 Index Oversight Committee

The Morningstar Index Oversight Committee is responsible for the index oversight function as per the requirements of the UK & 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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