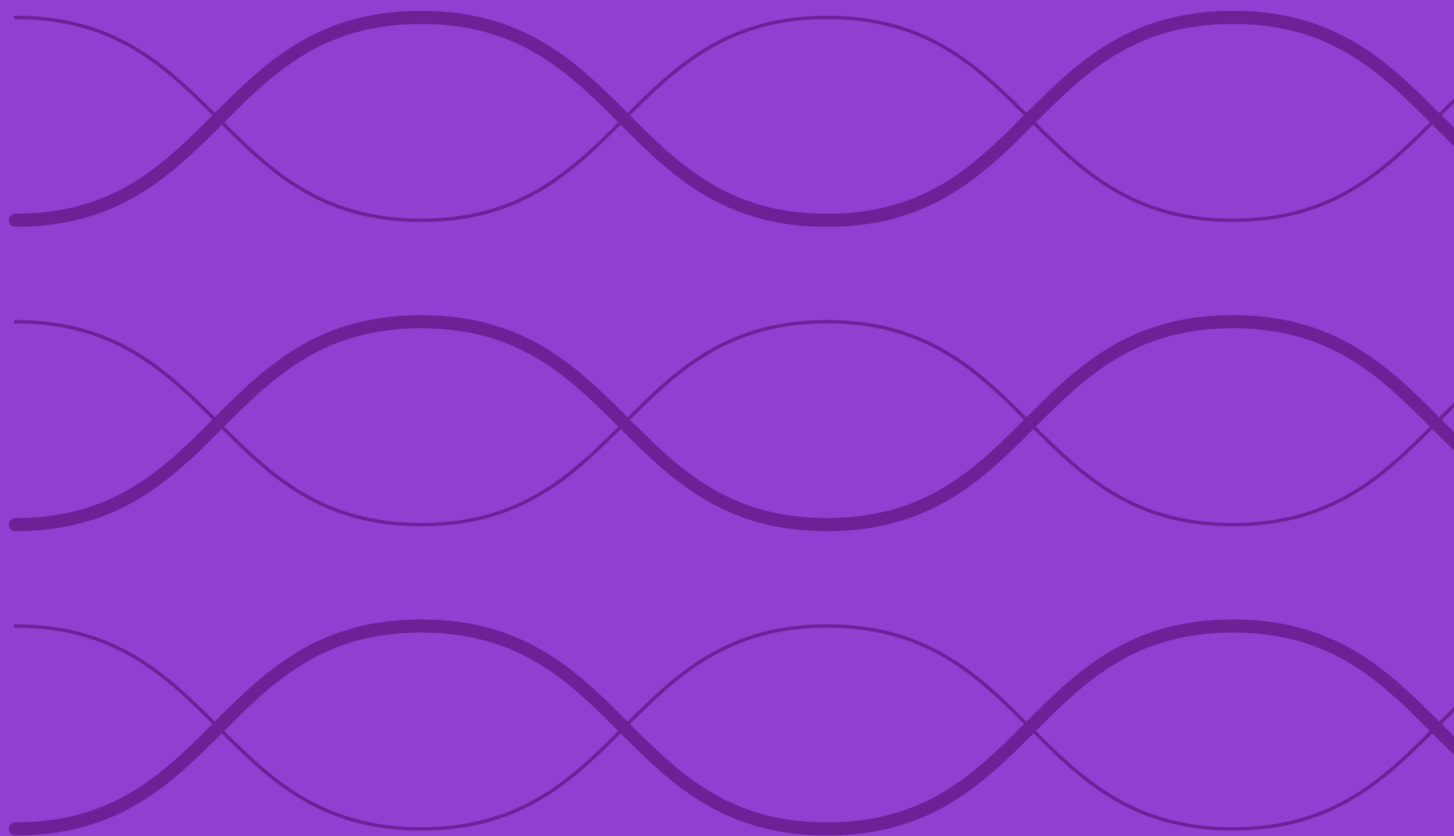


Construction Rules for the Azimut Morningstar Italy Funds Indexes



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Overview

The Azimut Morningstar Italy Funds Indexes are a rules-based asset-weighted index series designed to provide exposure to the broad Italian open-end fund market. The series consists of five single asset-class specific indexes and an overarching composite index, the Azimut Morningstar Italy All Funds Index, which provides an accurate representation of the Italian mutual fund market. The indexes are comprised of underlying open-end funds domiciled in Italy.

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

The following indexes are covered in this rulebook:

- Azimut Morningstar Italy All Funds
- Azimut Morningstar Italy Allocation Funds
- Azimut Morningstar Italy Alternatives Funds
- Azimut Morningstar Italy Capital-Protected Funds
- Azimut Morningstar Italy Equity Funds
- Azimut Morningstar Italy Fixed Income Funds

Index Inception and Performance Start Date

The index inception date and performance start dates for all indexes in the series can be found in [Appendix 2](#). The performance start date represents when the first back-tested index value was created.

Index Construction

Methodology Summary

Starting Universe

- Must be UCITS compliant, Italy domiciled open end funds
- Funds must be classified in one of the five Morningstar asset class categories

Fund Selection

- AUM ≥ EUR 10 million
- Determine representative share class for each fund

Portfolio Construction

- Funds are weighted according to AUM

Azimut Morningstar
Italy Funds Indexes

Assigning funds to the Indexes

Starting Universe

At each reconstitution, constituents for the indexes are derived from the universe of UCTS-compliant, open end funds domiciled in Italy.

Funds that meet the starting universe criteria are considered for one of the 5 asset class categories. The funds classified in the following Morningstar defined global broad category groups are eligible:

- Allocation
- Alternative
- Capital Protected
- Equity
- Fixed Income

The Azimut Morningstar All Funds Index is a composite of the above asset class categories.

Fund Selection

All funds must have at least EUR 10 million in assets under management, comprehensively across all share classes including institutional share classes.

Each fund is represented via a single share class in the indexes. The following rules govern the selection of share class:

- Base currency must be in Euro
- Share class should be non-institutional
- The oldest share class of the eligible fund that satisfies the prior two rules is selected as the representative share class¹
- If multiple share classes have the same inception date, the following sequential tie-breaking rules are applied:
 - The share class marked “oldest share class” as determined by Morningstar is selected
 - The share class with the highest amount of assets is selected
 - The share class with an “accumulation” distribution status is selected

Number of Funds

The number of funds in the indexes are subject to the selection and eligibility criteria at the time of reconstitution.

Index Weighting

The indexes are weighted in proportion to the amount of assets under management.

¹ This may be different from the commonly known Morningstar Direct data point “oldest share class.”

Index Maintenance and Calculation

Scheduled Maintenance

Monthly Reconstitution and Rebalance

The index is reconstituted and rebalanced monthly and is implemented after the close of business on the last business day of every month and is effective the following business day. The market data used for reconstitution and rebalance is as of the previous month end.

Index Calculation and Price Data

Index Calculation

The index level on date t is:

$$DRI_t = DRI_{t-1} \cdot (1 + R_t) = DRI_B \prod_{t=1}^t (1 + R_t)$$

Where:

DRI_B	=	The base value of portfolio daily return index (DRI) at the DRI series state date t_0
$R(t)$	=	The return of the portfolio at time interval t

Since DRI calculation methodology requires that return is available on every day the DRI is calculated, if there are gaps in the portfolio return calculation, the last period the portfolio has contiguous returns will be used as the period the portfolio has DRI.

Portfolio Return Calculation

We assume buy and hold between portfolio rebalance dates. On a portfolio date, the holding weights are known.

The portfolio's returns used in the portfolio DRI calculation are calculated in the portfolio's base currency. If a holding security's base currency is different from portfolio's base currency, then its returns are translated into the portfolio's base currency first.

A holding security's performance start date in the portfolio is the latter of its performance start date in its base currency, or the start date of the currency exchange rate between the holding security's base currency and the portfolio's base currency, if the holding security's base currency is different from the portfolio's base currency.

With these rules in place, the weights of constituents and the returns of the portfolio are calculated based on the following formulas:

$$w_t^i = \frac{w_{t-1}^i \cdot RC_t^i}{\sum_{i=1}^N (w_{t-1}^i \cdot RC_t^i)}$$

$$RC_t^i = 1 + r_t^i$$

$$R_t = \sum_{i=1}^N (w_{t-1}^i \cdot r_t^i)$$

Where:

N	=	Number of holdings in a portfolio on a given date
---	---	---

w_{t-1}^i	=	Weight of security i at end of time interval t-1
r_t^i	=	Return of security i at time interval t in portfolio's base currency
R_t	=	Return of the portfolio at time interval t
w_t^i	=	Weight of security i at end of time interval t
t	=	Time period the return is calculated for

Returns of individual securities are calculated according to Morningstar's [Total Return Index](#) methodology. A key assumption at the portfolio level calculation is that dividends are reinvested into only the security declaring the dividend and not the portfolio on a pro-rated basis.

Disruption Events

The following disruption events would require special handling in the indexes:

Liquidation

If a constituent is liquidated by the fund house, the fund is removed from the index on the date of liquidation, and its weight is pro-rated among surviving funds based on the latter's dynamic weights. An emergency reconstitution will be performed at the next rebalance date to restore full membership. Exceptions are made on a case-by-case basis.

Mergers

If a constituent merges with another fund that is not part of the portfolio, the index will hold the combined entity at the original constituent's weight. If a constituent merges with another constituent, the index portfolio will hold the combined entity at a weight equal to the sum of the merging funds weights. Since this will reduce membership count, an emergency reconstitution will be performed at the next rebalance date. Exceptions are made on a case-by-case basis.

Calculation and/or Publication Disruption

Morningstar calculates the index levels using a dynamic calculator. Fund NAVs are continuously collected and the index performance calculated using the available information. In this manner, publication disruptions do not prevent or affect index level calculations. The index level is first published when the number of funds reporting NAVs exceeds a client specified threshold, for example 80%. Beyond this threshold, index levels are restated and republished as and when more information is received, all the way to 100%.

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, 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 Decommissioning Policy](#).

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](#).

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
Entire rulebook	Moved rulebook to new brand template and made minor formatting changes Removed Computational and Reporting Precision section Added Exceptions section	June 2025

Appendix 2: Performance Start Date and Inception Date

Index	Performance Start Date	Inception Date
Azimut Morningstar Italy All Funds	March 1, 2009	October 11, 2019
Azimut Morningstar Italy Allocation Funds	March 1, 2009	August 8, 2019
Azimut Morningstar Italy Alternatives Funds	March 1, 2009	August 8, 2019

Azimut Morningstar Italy Capital-Protected Funds	March 1, 2009	August 8, 2019
Azimut Morningstar Italy Equity Funds	March 1, 2009	August 8, 2019
Azimut Morningstar Italy Fixed Income Funds	March 1, 2009	August 8, 2019

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 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 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 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 Index Oversight Committee

The Morningstar Index 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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