

Morningstar PitchBook Global Unicorn Indexes

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The explosive growth of private markets has been one of the most significant developments in capital markets in the last two decades. More money is being raised in private markets than in public markets each year with no sign of a change in the trend. Venture capital has contributed significantly to this dramatic expansion, and it has become an essential segment of today's investment landscape.

Unicorns, or late-stage venture capital-backed companies valued at \$1 billion USD or more, have come to define the intersection of public and private markets. Unicorns generally have established business models, developed products, and meaningful revenues, and they are typically close to exit.

The Morningstar PitchBook Global Unicorn Indexes are designed to deliver timely insights and unprecedented transparency into the performance and behavior of late-stage venture capital markets. Index constituents are derived from PitchBook's global database of venture capital-backed companies, and the index methodology employs a proprietary three-factor pricing model to estimate daily valuations. The series consists of broad-based benchmarks that represent every eligible unicorn as well as fixed count indexes that provide more focused exposure.

Starting universe

The Morningstar PitchBook Global Unicorn Indexes derive their constituents from PitchBook's global database of venture capital-backed companies.

Index eligibility

Companies from the PitchBook database must meet the following criteria:

- Must have a post-money valuation of at least \$1 billion USD¹
- DM companies must have had a venture capital round in the last 10 years and ex-DM companies must have had a venture capital round in the last 5 years
- Shell companies are excluded

Security selection

All eligible companies in the respective country or geographical region are included in the broad-based benchmarks, and the fixed count indexes capture the largest eligible companies (e.g., the Morningstar PitchBook US Unicorn 100 Index includes the largest 100 unicorns in the US).

Index constituents are weighted based on post-money valuations. The fixed-count indexes apply a 10% weight cap at the company level.

Pricing

The indexes leverage a proprietary mark-to-model pricing methodology that brings transparency and timeliness to private company valuation. The model estimates private company prices daily based on three inputs: past deals (post-money valuation), private market comparables, and public market comparables.²

Index maintenance

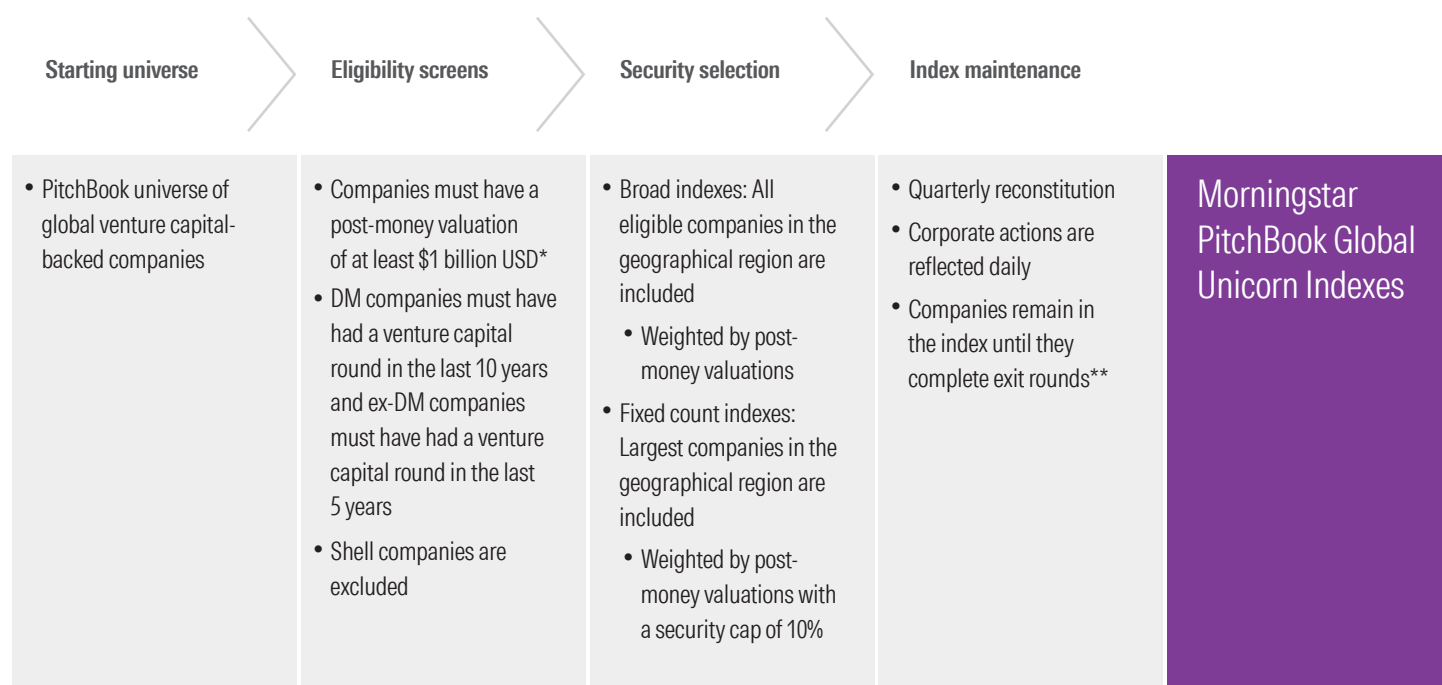
The indexes are reconstituted quarterly, and corporate actions are reflected daily. Companies remain in the index until they complete exit rounds.³

¹ A \$1B USD qualifying round is either a VC round or a PE round that follows a FC round. Companies are excluded if their first \$1B USD+ rounds come before their first VC rounds.

² For additional information, please reference the Morningstar PitchBook Global Unicorn Indexes rulebook

³ Exit rounds include going public via IPO/reverse merger, M&A, buyout/LBO, investor buyout by management, or bankruptcy/going out of business

Construction process



* A \$1B qualifying round is either a VC round or a PE round that follows a VC round. Companies are excluded if their 1st 1 billion USD+ rounds come before their first VC rounds.

** Exit rounds include going public via IPO/reverse merger, M&A, buyout/LBO, investor buyout by management, or bankruptcy/going out of business.

Sub-indexes

Broad-based indexes represent every eligible unicorn in the respective country or region to help investors understand the performance and behavior of unicorns across geographies, while fixed count indexes provide more focused exposure.

Global

Morningstar PitchBook Global Unicorn Index

Morningstar PitchBook Global Unicorn 500 Index

Morningstar PitchBook Global ex-China Unicorn Index

Europe

Morningstar PitchBook Europe Unicorn Index

Morningstar PitchBook Europe Unicorn 50 Index

Morningstar PitchBook UK Unicorn 20 Index

United States

Morningstar PitchBook US Unicorn Index

Morningstar PitchBook US Unicorn 100 Index

Asia

Morningstar PitchBook Asia Unicorn Index

Morningstar PitchBook Asia Unicorn 100 Index

Morningstar PitchBook China Unicorn 50 Index

Morningstar PitchBook India Unicorn 25 Index

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. Please visit indexes.morningstar.com for more information.

About PitchBook

PitchBook is a research firm and financial data provider that empowers global capital market professionals to win what's next. We collect and analyze information on the entire investment and business lifecycle. Our data, research and insights are available through our in-depth reports, industry news, and robust platform. To learn more about PitchBook, visit pitchbook.com or contact info@pitchbook.com.