

Morningstar Global Sector Indexes

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Morningstar GECS

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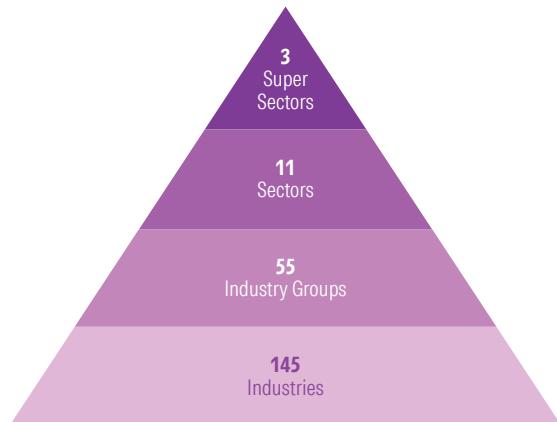
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The Morningstar Global Sector Indexes are designed to facilitate accurate performance benchmarking and efficient portfolio construction across 11 sectors and 145 industries as defined by the Morningstar Global Equity Classification Structure (GECS), a single, unified sector classification scheme which categorizes companies based on their primary lines of business.

Morningstar GECS

Morningstar GECS 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. If the company has more than three sources of revenue and income and there is no clear dominant revenue or income stream, the company is assigned to the Conglomerates industry (housed under the Industrials sector). Industry assignments are reviewed annually or whenever there is a major corporate action.

The 11 Morningstar GECS sectors, along with their corresponding super sectors, are as follows:

Cyclical Super Sector

1. Basic Materials
2. Consumer Cyclical
3. Financial Services
4. Real Estate

Defensive Super Sector

5. Consumer Defensive
6. Healthcare
7. Utilities

Sensitive Super Sector

8. Communication Services
9. Energy
10. Industrials
11. Technology

Index eligibility and weighting

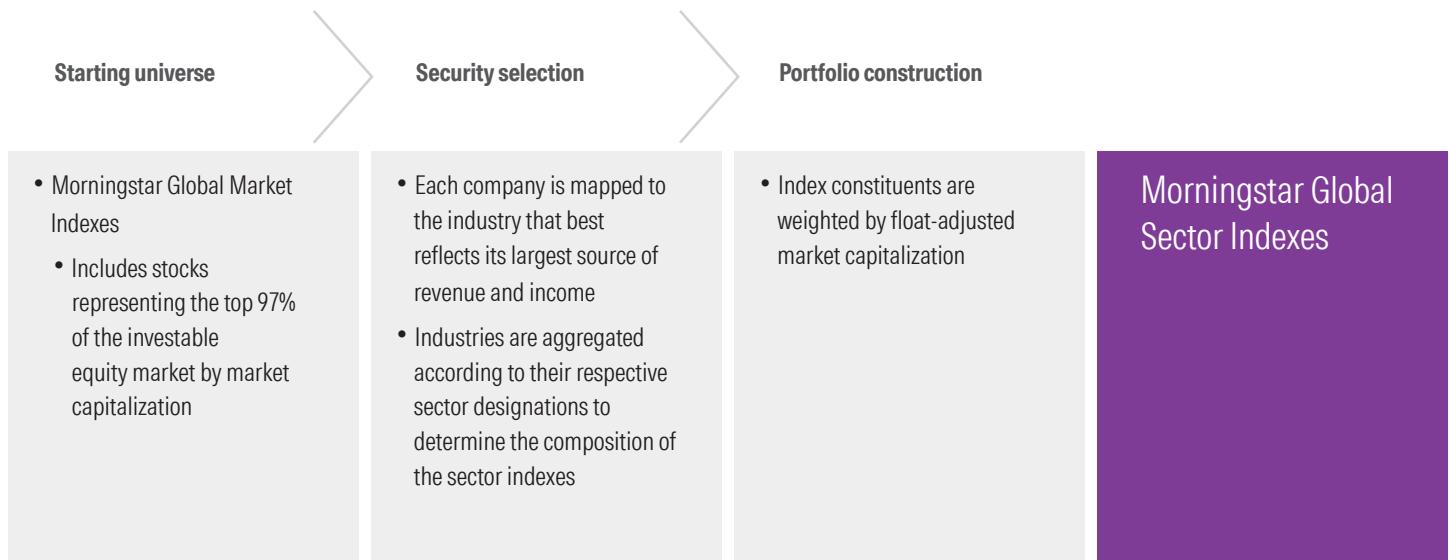
Index constituents are drawn from the Morningstar Global Market Indexes (GMI), which cover stocks representing the top 97% of the investable equity market by market capitalization.

Each member of the parent index is assigned to one of the 145 GECS industries, which map to individual industry indexes. Each industry is aggregated according to its respective sector designation to determine the composition of the sector indexes. Index constituents are weighted according to their float-adjusted market capitalization, and the number of constituents will vary with the composition of the parent index and companies' industry classifications.

Rebalancing and reconstitution

The industry and sector indexes are reconstituted semiannually in June and December and rebalanced quarterly.

Construction process



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.