MORNINGSTAR Indexes

Morningstar PitchBook US Modern Market 100 Index

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The rise of private markets has fundamentally altered the structure of global capital markets. The traditional model, where companies largely relied on public markets as their primary source of growth capital, no longer represents economic reality. Increasingly, companies can access substantial funding at scale without ever going public, reshaping the composition and relevance of traditional benchmarks. To navigate this new landscape, investors need better data and tools—ones that capture the expanding scope of the investable equity universe, across both public and private companies.

The Morningstar PitchBook US Modern Market 100 Index tracks 100 of the largest and most influential U.S.-domiciled companies—90 public and 10 private venture-backed. It uses a transparent, rules-based methodology, with companies weighted by market value. The index seamlessly integrates public and private markets to represent today's expanding investment opportunity set.

Private company market-driven pricing

The pricing model combines actual transaction data from two secondary market key price aggregators to support replication. To refine this data further, the Kalman filter, a statistical technique that seeks to reduce "noise" and improve reliability and robustness, is applied. This process results in a consolidated, refined price that reliably reflects collective market sentiment.[1]

Index eligibility

The Morningstar PitchBook US Modern Market 100 Index is composed of two sleeves: private and public. The private sleeve includes the largest 10 venture-backed companies based on the latest secondary market capitalization, and the public sleeve includes the largest 90 publicly traded companies based on the latest float-adjusted market capitalization.

The index derives the constituents of its private sleeve from the Morningstar PitchBook US Unicorn Index, which tracks privately held, late-stage venture capital-backed US companies with post-money valuations of at least $1 billion. Publicly-traded constituents are derived from the Morningstar US Market Index, which measure the performance of large-, mid- and small-cap stocks in the U.S. The index is built for investability, so to be eligible for inclusion, privately held constituents must trade in the secondary markets and have available transaction data. New index constituents with liquidity score[2] greater than 0.25 are eligible for inclusion, while existing constituents are eligible to remain in the index if their liquidity score is greater than 0.

Security selection and weighting

Companies in the private sleeve are allocated 10% of the index weight, while companies in the public sleeve are assigned 90%. Each sleeve of the index is market-cap weighted based on the most recently available data: secondary market capitalization for private companies, and float-adjusted market capitalization for public companies. A 10% cap is applied to individual public company-level weights, while individual private company-level weights are capped at 2% of the overall index weight.

Index maintenance and calculation

Index values are calculated daily at end of the business day. Private company corporate actions, such as IPOs, bankruptcies, mergers and acquisitions, and buyouts, are also reflected daily. A company exiting the index due to an IPO is held in the index portfolio for 180 days.[3]

The index is reconstituted semi-annually on the third Friday of June and December. A 50% security selection buffer is applied to each sleeve at reconstitution to help manage turnover. The index is rebalanced quarterly on the third Friday of March, June, September, and December.

[1] For more information, refer to the Construction Rules for the Morningstar Consolidated Market.
[2] For more information, refer to the Construction Rules for the Morningstar Liquidity Score for Venture Capital-Backed Companies.
[3] Securities are held for 180 days post-listing to reflect the typical period when early investors begin to unwind positions, though timing can vary by investor.

Robust governance
Benchmark integrity is upheld through internal controls, conflict management policies, and alignment with regulations like EU Benchmark Regulation.

Construction process

	Starting universe	Allocation & eligibility	Security selection & weighting	Index maintenance	
Public Markets	Morningstar US Market Index	90% allocation	90 largest constituents are weighted by market cap	• Calculated daily • Quarterly rebalancing • Semiannual reconstitution • IPOs retained for 180 days	Morningstar PitchBook US Modern Market 100 Index
Private-Venture Backed	Morningstar PitchBook US Unicorn Index	10% allocation to companies active on secondary market platforms	10 largest constituents are weighted by market cap		

Morningstar US Market Indexes measure the performance of large-, mid- and small-cap stocks in the U.S. representing the top 97% of the investable universe by market capitalization, and the Morningstar PitchBook US Unicorn Index tracks privately held, late-stage venture capital-backed US companies with post-money valuations of at least $1 billion.

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.

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