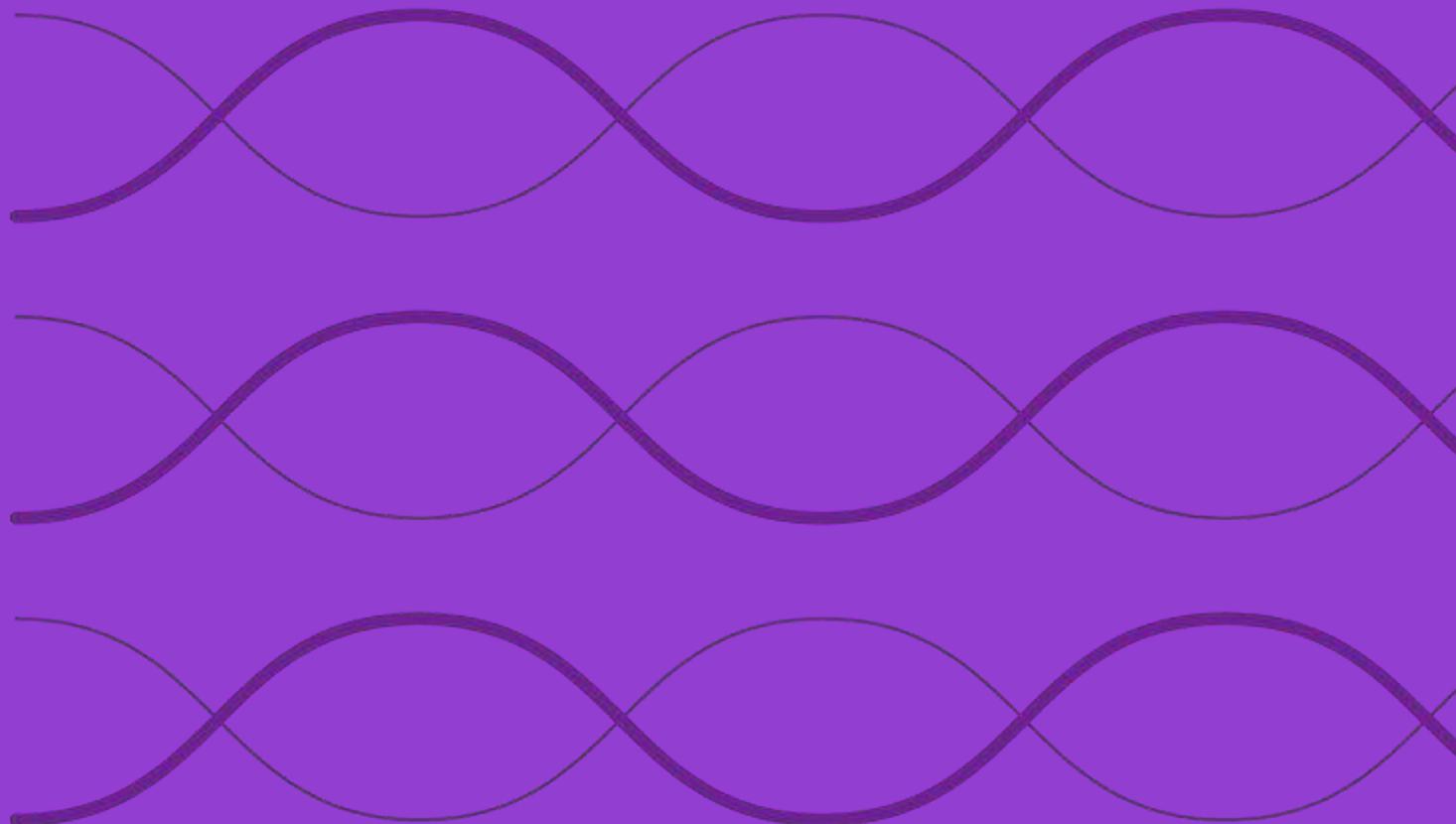


MORNINGSTAR Indexes

# Morningstar Transatlantic 60/40 Multi-Sector Select 20



November 2025

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## Overview

The Morningstar Transatlantic 60/40 Multi-Sector Select 20 Index is an index of indexes designed to provide exposure to the top 10 large- and mid-cap companies in both the US and the developed Eurozone region, ranked by market capitalization, that are involved in semiconductors, auto manufacturers, manufacturing apparel & accessories, luxury goods industries. The index targets a region exposure of 60% to US and 40% to developed Eurozone.

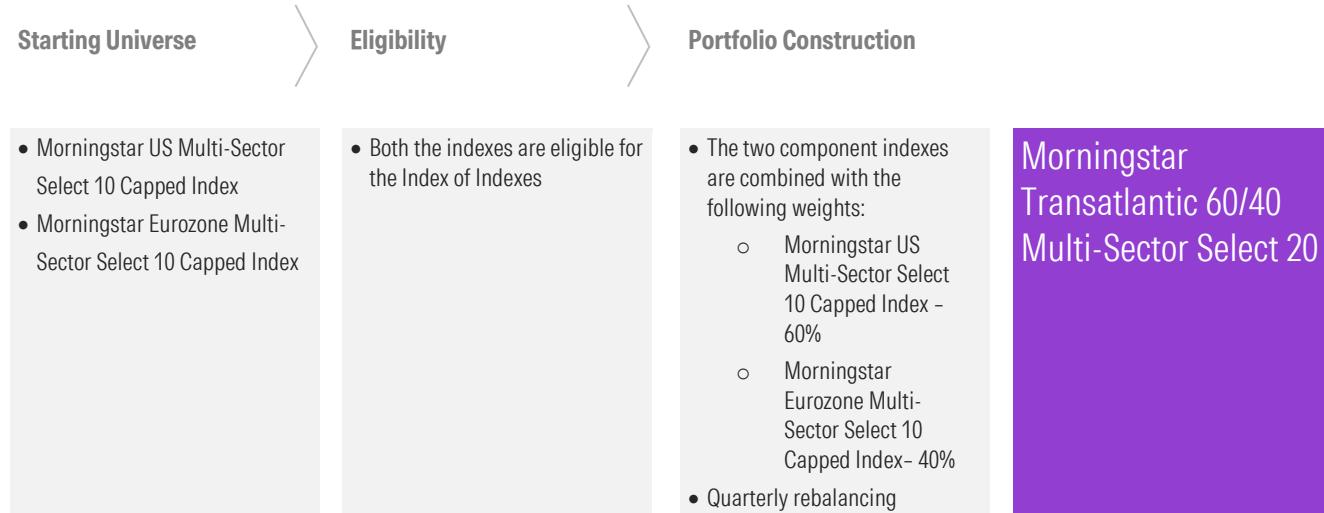
This index does not incorporate environmental, social, or governance criteria.

## Index Inception and Performance Start Date

The index inception date October 16, 2025, and the performance start date, when the first back-tested index value was calculated, is mentioned June 20, 2008.

## Index Construction

### Methodology Summary



### Starting Universe

The starting universe consists of two regions represented by Morningstar Indexes. The following indexes serve as precise, nonoverlapping building blocks in the construction process.

| Region             | Morningstar Index  |
|--------------------|--|
| U.S.               | Morningstar US Multi-Sector Select 10 Capped Index       |
| Developed Eurozone | Morningstar Eurozone Multi-Sector Select 10 Capped Index |

The rules governing security inclusion for the indexes listed above are detailed in their respective rulebooks, which are available on the Morningstar Indexes website:

- [Morningstar US Multi-Sector Select 10 Capped Index](#)
- [Morningstar Eurozone Multi-Sector Select 10 Capped Index](#)

### Eligibility

The index allocates 60% weight to the US and 40% weight to Developed Eurozone regions.

### Portfolio Construction and Index Weighting

At every rebalance, the region exposure for both US and Eurozone region is reset to the weights mentioned below:

| Region             | Morningstar Index  | Allocation |
|--------------------|--|------------|
| U.S.               | Morningstar US Multi-Sector Select 10 Capped Index       | 60%        |
| Developed Eurozone | Morningstar Eurozone Multi-Sector Select 10 Capped Index | 40%        |

## Index Maintenance and Calculation

### Quarterly Rebalancing

The index is rebalanced quarterly to maintain the asset allocations according to the preset allocation. The rebalances are implemented after the close of business on the third Friday of March, June, September, and December and are effective the following business day.

Index files are published according to the global calendar schedule. For more information, please refer to the [Morningstar Indexes Holiday Calendar](#).

### Index Calculation and Price Data

The index return is determined by calculating the weighted average return of its underlying component indexes. The weights of these components drift between the rebalance and are reset to the predetermined allocation during each quarterly rebalance.

### 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, eligibility requirements, and maintenance procedures. Subscribers to the index will be notified before any methodology changes are made. For more details, refer to the [Morningstar Indexes 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 [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 generally 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 method described above, 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 relevant Morningstar Index Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Index Oversight Committee.

## Appendices

### Appendix 1: Glossary

| Term           | Description   |
|----------------|---|
| Reconstitution | During each reconstitution, the steps mentioned in the index construction process are performed, resulting in membership reset. |
| Rebalance      | During each rebalance, the weights are adjusted for updated free-float and shares outstanding data.                             |

### Appendix 2: Morningstar Transatlantic 60/40 Multi-Sector Select 20 Decrement Indexes

| Index Name   | Underlying Index  | Base value | Base Date    | Performance Inception Date | Inception Date |
|--|---|------------|--------------|----------------------------|----------------|
| Morningstar Transatlantic 60/40 Multi-Sector Select 20 Decrement 50 Point GR | Morningstar Transatlantic 60/40 Multi-Sector Select 20 GR | 900        | Oct 29, 2025 | Jun 20, 2008               | Oct 20, 2025   |
| Morningstar Transatlantic 60/40 Multi-Sector Select 20 Decrement 5% NR       | Morningstar Transatlantic 60/40 Multi-Sector Select 20 NR | 1000       | Jun 20, 2008 | Jun 20, 2008               | Oct 20, 2025   |

### Appendix 3: Decrement Levels

The index levels are adjusted by deducting a predetermined value of index points from the gross return, or GR, or fixed percentage point from the net return, or NR, levels of the base index. These constant markdowns are applied to the base index daily.

| Return Variant of the Base Index | Base Currency | Decrement Type  | Decrement Frequency | Decrement Application                           | Decrement Value                            | Day Count Convention |
|----------------------------------|---------------|---|---------------------|---|--|----------------------|
| Net Total Return                 | EUR           | Fixed Percentage Decrement or Fixed Point Decrement based on the index version. | Daily               | Geometric application for both decrement types. | 5% decrement based on the Net Total Return | *ACT/365             |

\*ACT is the number of calendar days between two calculation days.

#### Formula for Fixed Point Decrement

#### Geometric Decrement Calculation

$$IV_t = (IV_{t-1} \times (U_t \div U_{t-1})) - (D \times (Act(t-1,t) \div DayCount))$$

Where:

$IV_t$  = The value of the Fixed Point Decrement Index for calculation day  $t$

$IV_{t-1}$  = The value of the Fixed Point Decrement Index for day  $t-1$

$U_t$  = The value of the base Index for calculation day  $t$

$U_{t-1}$  = The value of the base Index for calculation day  $t-1$

$Act(t-1,t)$  = Number of calendar days between calculation day  $t-1$  and calculation day  $t$

$D$  = The Decrement value expressed in Index points

$DayCount$  = Set to 365

### Formula for Fixed Percentage Decrement

#### Geometric Decrement Calculation

$$IV_t = IV_{t-1} \times ((U_t \div U_{t-1}) - (c \times (Act(t-1,t) \div DayCount)))$$

Where:

$IV_t$  = The value of the Fixed Percentage Decrement Index for calculation day  $t$

$IV_{t-1}$  = The value of the Fixed Percentage Decrement Index for day  $t-1$

$U_t$  = The value of the base Index for calculation day  $t$

$U_{t-1}$  = The value of the base Index for calculation day  $t-1$

$Act(t-1,t)$  = Number of calendar days between calculation day  $t-1$  and calculation day  $t$

$c$  = The Decrement value expressed in Fixed Percentage

$DayCount$  = Set to 365

## **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.

[www.indexes.morningstar.com](http://www.indexes.morningstar.com)

## **Contact Us**

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