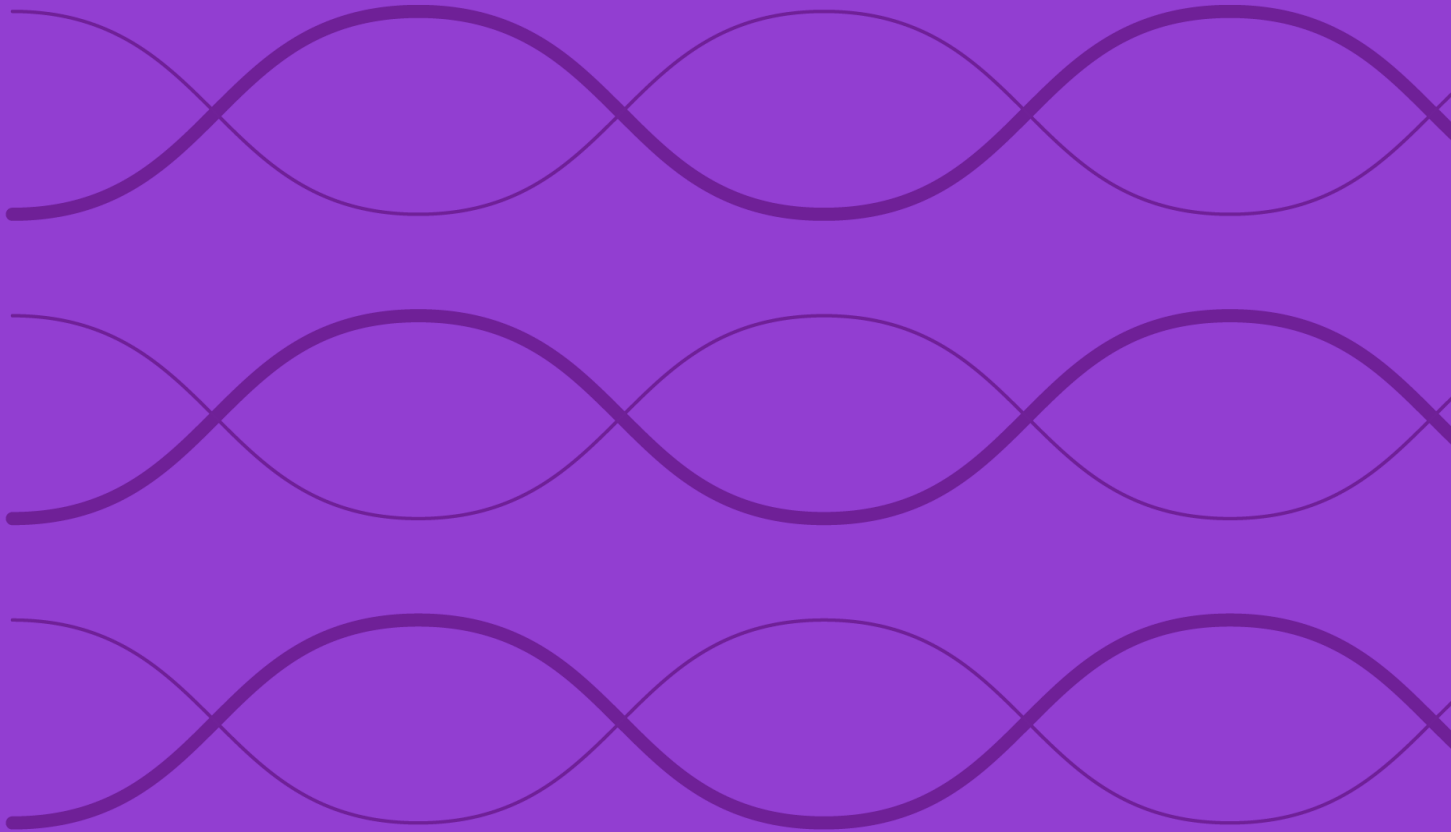


# Construction Rules for the Morningstar® US Broad Growth 100 Index



**Overview.....3**

**Index Construction.....4**

Methodology Summary.....4

Starting Universe.....4

Eligibility.....4

Portfolio Construction.....4

**Index Maintenance and Calculation.....6**

Reconstitution and Rebalancing.....6

Corporate Actions.....6

Index Calculation and Price Data.....6

**Methodology Review and Index Decommissioning Policy.....7**

**Data Correction and Precision.....8**

Intraday Index Data Corrections.....8

Index-Related Data and Divisor Corrections.....8

**Exceptions.....8**

**Appendixes.....9**

Appendix 1: Modifications to the Rulebook.....9

Appendix 2: Glossary.....9

**About Morningstar Indexes.....10**

## Overview

The Morningstar US Broad Growth 100 Index is designed to track the performance of the 100 largest constituents from the Morningstar US Market Broad Growth Extended Index, excluding stocks in the financial services sector. The index is weighted by float-market capitalization, subject to caps and a partial inclusion factor applied to blend stocks.

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

## Index Inception and Performance Start Date

The index inception date is April 22, 2024, and the performance start date, when the first back-tested index values were calculated, is December 20, 2002.

## Index Construction

### Methodology Summary

#### Starting Universe

- Morningstar US Market Broad Growth Extended Index (parent index)

#### Eligibility

- Exclude securities from the financial services sector.
- Apply ADTV screen of \$5 million.

#### Portfolio Construction

- Target the top 100 constituents from the parent index based on their weightings.
- The weighting scheme is the same as that of the parent index, subject to security capping.
- Semi-annually reconstitution
- Quarterly rebalancing

**Morningstar US  
Broad Growth 100  
Index**

### Starting Universe

At each reconstitution, constituents of the Morningstar US Broad Growth 100 Index are derived from the Morningstar US Market Broad Growth Extended Index (benchmark), which targets stocks representing the more growth-oriented half of the Morningstar US Market Extended Index. For more details on benchmark construction, refer to the construction rules for the [Morningstar Broad Style Indexes](#).

### Eligibility

To be eligible for inclusion in the index, all constituents must meet the following criteria:

- Sector exclusions: Securities must not be a part of financial services sector.
- Liquidity: The index constituents should have a three-month average daily traded volume, or ADTV, of at least 5 million USD.

### Portfolio Construction

- Stocks that meet these eligibility criteria are ranked in descending order of their weights in the parent index.
- Current index constituents are retained in the index if they are ranked within the top 125 by their weight in the parent index. Additional securities are added to the index in descending order of their weight in the parent index until the count reaches 100.

### Number of Stocks

The index targets 100 stocks based on a transparent ranking system subject to selection and eligibility criteria at reconstitution. However, if securities fall short of the selection and eligibility criteria, or if securities are added or deleted as a result of corporate actions after reconstitution, the index can have more or fewer than 100 securities. During reconstitution, if the number of securities is less than the target, all eligible securities would be selected, and the weight of the constituents

will be determined based on the index weighting scheme. The reconstitution schedule is available in the "Index Maintenance and Calculation" section.

### *Index Weighting*

The index weighting scheme is as per the company weight in the parent index, subject to 5-20-40 capping. Consequently, companies are weighted in proportion to their float market-cap weight, with a partial inclusion factor applied to blend stocks of the parent index. Company weightings are limited to 20% and the sum of weights above or equal to 5% cannot exceed 40%.

In the event of a breach of these caps, companies above the caps are downweighted to bring the portfolio into compliance. The excess weight from these capped stocks is redistributed across the portfolio in a manner designed to preserve the relative exposure of the pre-capped weights for as many companies as possible. This may result in some companies that initially breached the cap receiving a lower weight than the cap. For more details, refer to the construction rules for the [Morningstar Broad Style Indexes and the Morningstar Indexes Calculation Methodology rulebook](#).

## Index Maintenance and Calculation

### Reconstitution and Rebalancing

The index is reconstituted, where the membership is reset, semi-annually on the third Friday of June and December. Adjustments are implemented after Friday's market close and reflected the following Monday. If Monday is an index holiday, reconstitution is reflected the next business day. The market data used for reconstitution is as of the last trading day of April and October.

The index is rebalanced quarterly on the third Friday of March, June, September, and December. During each quarterly rebalance the parent index membership is checked, and the weights of the constituents are reweighted according to the stated weighting scheme using updated float market capitalization data. Adjustments are implemented after Friday's market close and reflected the following Monday. If Monday is an index holiday, the rebalance is reflected the next business day. The market data used for rebalancing is as of the last trading day of January, April, July, and October.

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

### Corporate Actions

The treatment of corporate actions will be as per the float-adjusted market capitalization-weighted indexes corporate action methodology. For more details, please refer to the [Morningstar Indexes Corporate Actions Methodology rulebook](#).

### Index Calculation and Price Data

Details about index calculations and price data can be found in their respective rulebooks: [Morningstar Indexes Calculation Methodology](#) and [Equity Closing Prices Used for Index Calculation](#).

## Methodology Review and Index Decommissioning 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 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 decommissioning of the index or benchmark index could disrupt subscriber products that reference this index, all subscribers are encouraged to have robust fallback procedures in the event an index is decommissioned. 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 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.



## Appendixes

### Appendix 1: Modifications to the Rulebook

Section	Description of Change	Update Date
Data Correction and Precision	Computational and Reporting Precision Section Removed	May 2025

### Appendix 2: Glossary

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

## 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 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 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

[indexes@morningstar.com](mailto:indexes@morningstar.com)

The information in this document is the property of Morningstar, Inc. Reproduction or transcription by any means, in whole or part, without the prior written consent of Morningstar, Inc., is prohibited. While data contained in this report are gathered from reliable sources, accuracy and completeness cannot be guaranteed. All data, information, and opinions are subject to change without notice. This document may contain back-tested or simulated performances, and the subsequent results achieved by the investment strategy may be materially different.