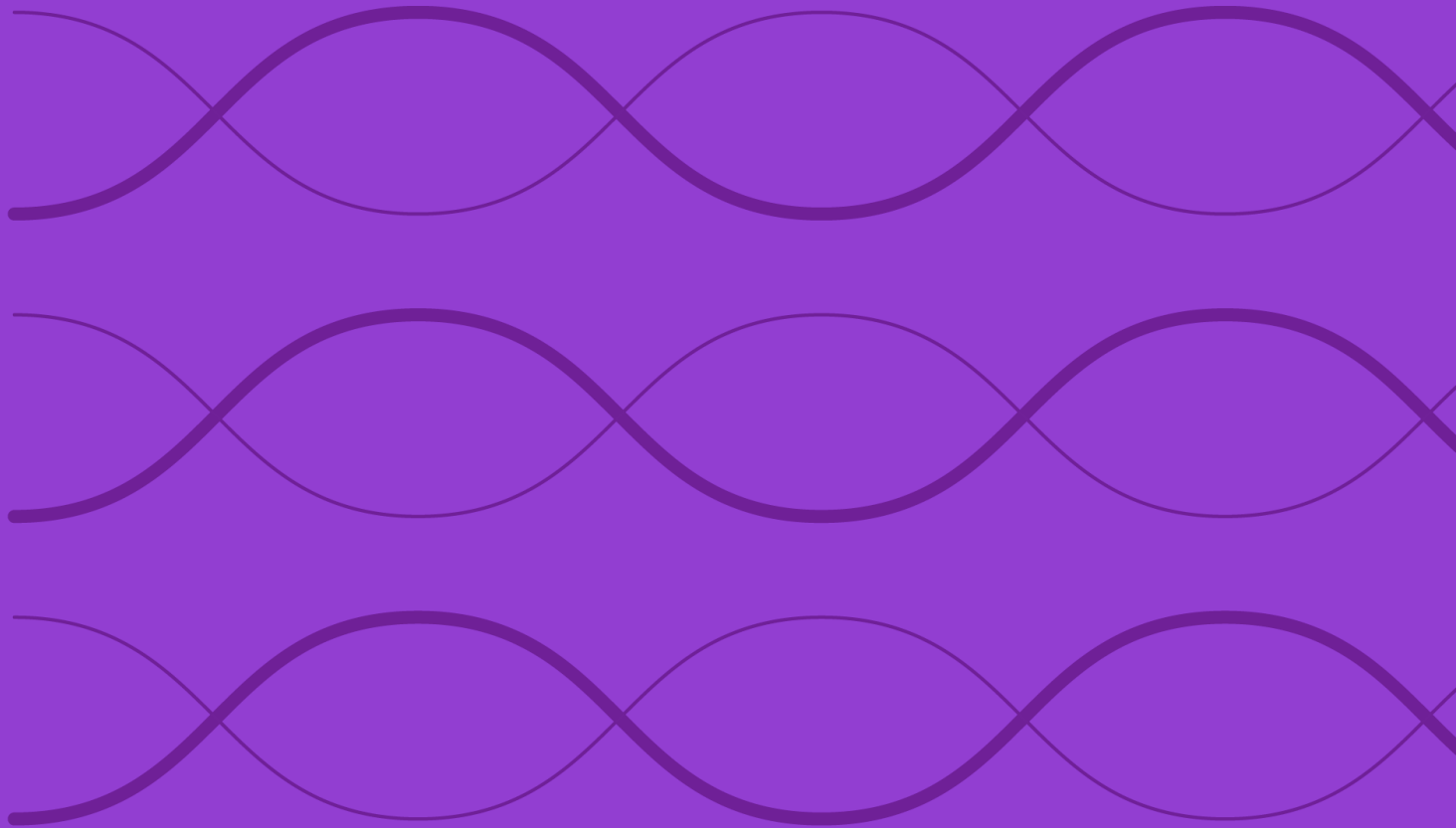


Construction Rules for the Morningstar PIMFA Private Investor Indexes



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Overview

The Morningstar PIMFA Private Investor Indexes are designed to reflect the investment strategies commonly used by UK-based wealth managers and private client portfolios. The Index composition is determined by the Personal Investment Management and Financial Advice Association (PIMFA). These five multi-asset indexes support benchmarking and analysis across a variety of investment objectives and risk tolerances, classified into Conservative, Income, Balanced, Growth, and Global Growth. More details can be found in [Appendix 2](#).

The following indexes are covered in this rulebook:

- Morningstar PIMFA Private Investor Conservative Index
- Morningstar PIMFA Private Investor Income Index
- Morningstar PIMFA Private Investor Balanced Index
- Morningstar PIMFA Private Investor Growth Index
- Morningstar PIMFA Private Investor Global Growth Index

The component indexes within the Private Investor Indexes are listed in [Appendix 4](#).

Index Inception and Performance Start Date

The index inception dates and performance start dates are listed in [Appendix 3](#).

Index Construction

Methodology Summary

Eligible Indexes

- The PIMFA Private Investor Index Committee selects from 10 Morningstar Indexes representing commonly used domestic and foreign asset classes across equity, fixed income, cash, real estate, and alternatives to serve as component indexes.

Index Weighting

- For each index in the series, the component indexes are weighted according to the asset class allocations determined by the PIMFA Private Investor Committee
- The indexes are reconstituted up to four times per year and rebalanced monthly

Morningstar PIMFA Private Investor Indexes

Eligible Indexes

The starting universe is comprised of commonly used domestic and foreign asset classes across equity, fixed income, cash, real estate, and alternatives. There are 10 distinct asset classes and subsegments within the starting universe, represented by Morningstar Indexes, which serve as precise, nonoverlapping building blocks in the construction process. The indexes used for the creation of each variant are available in [Appendix 4](#).

Portfolio Construction and Index Weighting

Morningstar Indexes are selected as constituents and weighted according to the asset class allocations determined by the PIMFA Private Investor Index Committee for each index in the series.

The asset class allocations are provided by the PIMFA Private Investor Index Committee to the Morningstar Indexes Operations team at least seven business days before each monthly rebalance on the last business day of the month.

*If the Morningstar Indexes Operations Team does not receive the asset class allocations by the date specified above, then the most recent asset class allocations would be applied at the next monthly rebalance.

Each index is calculated in Net Return (NR) and Price Return (PR) variants. The weights before March 2017 are static through the backtest period.

Index Maintenance and Calculation

Scheduled Maintenance

Reconstitution

The indexes are reconstituted up to four times a year, where the underlying asset allocations are reset according to the PIMFA Private Investor Index Committee's updated target asset allocation for each index. Any updated weights become effective at the subsequent month-end rebalance and are effective the following business day. In periods where there are no updates, the asset allocations are not changed.

Monthly Rebalancing

The indexes are rebalanced monthly to maintain the asset allocations according to the PIMFA Private Investor Index Committee target asset allocations implemented at the previous reconstitution. The rebalances are implemented after the close of the last day of the month 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 returns are determined by calculating the weighted average return of their underlying component indexes. The weights of these components drift between rebalances and are reset to the predetermined allocations during each monthly rebalance.

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 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.

Appendixes

Appendix 1: Glossary

Term	Description
Reconstitution	During each reconstitution, the steps mentioned in the index construction process are performed, resulting in asset class membership reset.
Rebalance	During each rebalance, the weights of the component indexes are reset to reflect the prescribed asset class exposures.

Appendix 2: Index Descriptions

Index	Description
Morningstar PIMFA Private Investor Conservative Index	The Morningstar PIMFA Private Investor Conservative Index is a multi-asset index designed to represent the investment strategy of an investor seeking a conservative investment approach.
Morningstar PIMFA Private Investor Balanced Index	The Morningstar PIMFA Private Investor Balanced Index is a multi-asset index designed to represent the investment strategy of an investor seeking balance between income and capital growth.
Morningstar PIMFA Private Investor Income Index	The Morningstar PIMFA Private Investor Income Index is a multi-asset index designed to represent the investment strategy of an investor seeking income flow from their investments.
Morningstar PIMFA Private Investor Growth Index	The Morningstar PIMFA Private Investor Growth Index is a multi-asset index designed to represent the investment strategy of an investor seeking capital growth from their investments.
Morningstar PIMFA Private Investor Global Growth Index	The Morningstar PIMFA Private Investor Global Growth Index is a multi-asset index designed to represent the investment strategy of an investor seeking capital growth on global equities from their investments.

Appendix 3: Index Inception and Performance Start

Index	Inception Date	Performance Start Date
Morningstar PIMFA Private Investor Conservative Index	25-Nov-2025	30-Jun-2008
Morningstar PIMFA Private Investor Balanced Index	24-Nov-2025	30-Jun-2008

Morningstar PIMFA Private Investor Income Index	24-Nov-2025	30-Jun-2008
Morningstar PIMFA Private Investor Growth Index	24-Nov-2025	30-Jun-2008
Morningstar PIMFA Private Investor Global Growth Index	25-Nov-2025	30-Jun-2008

Appendix 4: Constituent Indexes

The constituent indexes of the Morningstar PIMFA Private Investor Indexes are listed below. The rules governing security inclusion for the listed indexes are detailed in their respective rulebooks, which are available on the Morningstar Indexes [website](#).

Private Investor Index	Asset Class	Morningstar Index
Conservative, Balanced, Income, and Global	Domestic equities	Morningstar UK All Cap Target Market Exposure Index
	International equities	Morningstar Global ex-UK Target Market Exposure Index
	Domestic Government Bonds	Morningstar UK Gilt Bond Index
	Domestic Corporate Bonds	Morningstar UK Corporate Bond Index
	Domestic Inflation-Linked Treasuries	Morningstar UK Treasury Inflation-Linked Securities Index
	Domestic Real Estate	Morningstar UK Real Estate Target Market Exposure Index
	Alternatives	Morningstar Long Developed Markets Multifactor Short Developed Markets Index
	Cash	Morningstar Pound Sterling Overnight Cash Index
Global Growth	Developed World equities	Morningstar Developed Markets Target Market Exposure Index
	Emerging Markets equities	Morningstar Emerging Markets Target Market Exposure Index
	Alternatives	Morningstar Long Developed Markets Multifactor Short Developed Markets Index
	Cash	Morningstar Pound Sterling Overnight Cash Index

Appendix 5: Constituent Index Return Types for Net Return (NR) and Price Return (PR) Variants

Asset Class	Morningstar Index	Net Return Variant	Price Return Variant
Domestic equities	Morningstar UK All Cap Target Market Exposure Index	Net Return	Price Return
International equities	Morningstar Global ex-UK Target Market Exposure Index	Net Return	Price Return
Developed Markets equities	Morningstar Developed Markets Target Market Exposure Index	Net Return	Price Return
Emerging Markets equities	Morningstar Emerging Markets Target Market Exposure Index	Net Return	Price Return
Domestic Government Bonds	Morningstar UK Gilt Bond Index	Total Return	Price Return
Domestic Corporate Bonds	Morningstar UK Corporate Bond Index	Total Return	Price Return

Domestic Inflation-Linked Treasuries	Morningstar UK Treasury Inflation-Linked Securities Index	Total Return	Price Return
Domestic Real Estate	Morningstar UK Real Estate Target Market Exposure Index	Net Return	Price Return
Alternatives	Morningstar Long Developed Markets Multifactor Short Developed Markets Index	Net Return	Price Return
Cash	Morningstar Pound Sterling Overnight Cash Index	Total Return	Price Return

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 the European Benchmarks Regulation (“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 Benchmarks Regulation (“BMR”), providing independent oversight of all aspects of the governance of benchmark administration as required by the 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.

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