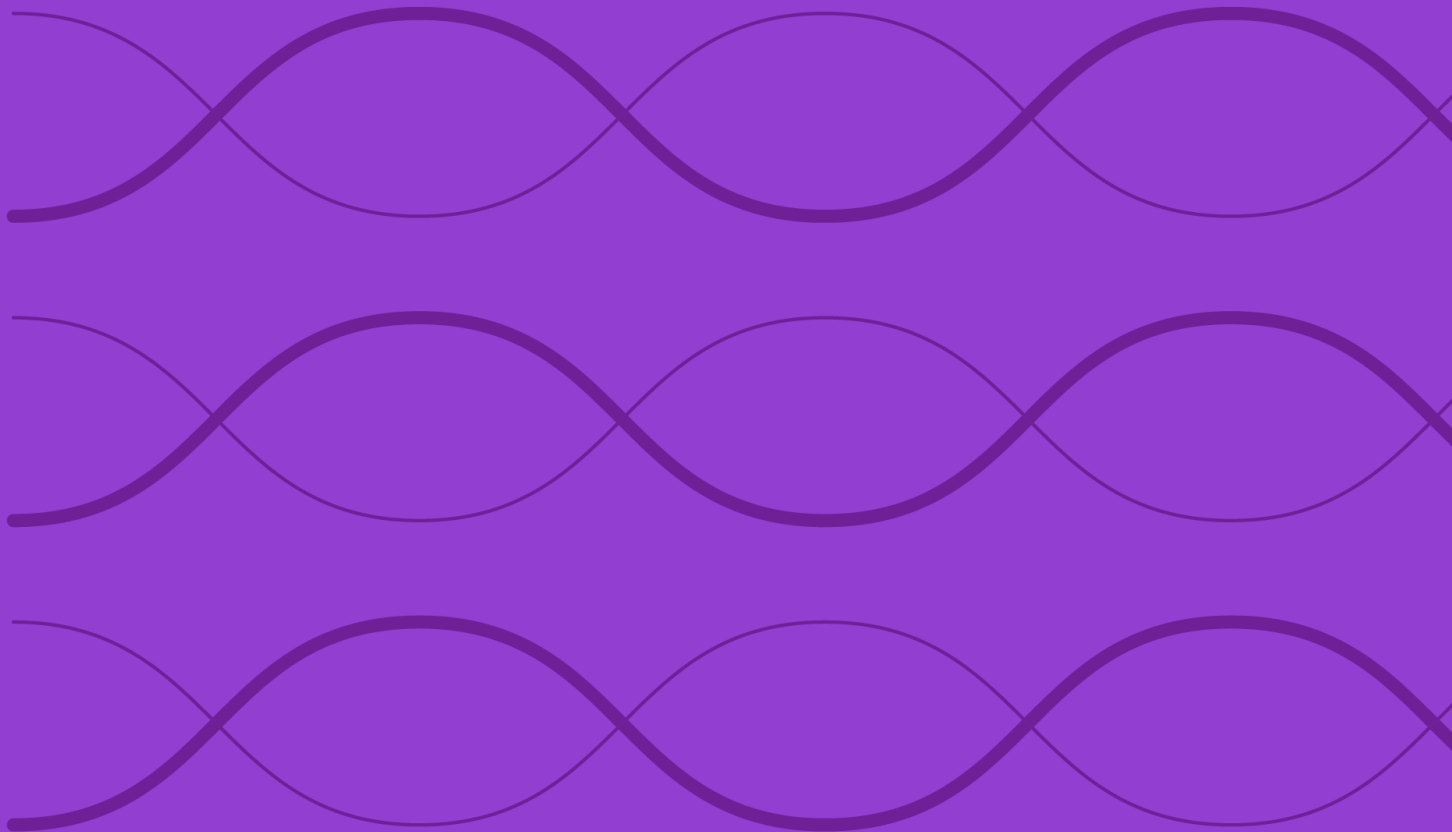


Construction Rules for the Morningstar[®] US Transformational Technologies Indexes



Overview	3
Index Construction	4
Starting Universe.....	4
Eligibility	4
Portfolio Construction.....	5
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	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:	9
Theme Overview and Scoring.....	9
Appendix 4: Theme Scoring for Digital Infrastructure & Connectivity	11
Appendix 5: Inception and Performance Start Dates	12
About Morningstar Indexes	13

Overview

The Morningstar® US Transformational Technologies Indexes are designed to deliver unparalleled, thematically pure exposure to a range of durable themes by drawing on the in-depth knowledge and forward-looking insights of Morningstar's equity research team. Themes covered include:

- Artificial Intelligence
- Digital Infrastructure & Connectivity
- Electric & Autonomous Vehicles
- Fintech Innovation
- Nanotechnology
- Robotics

Appendixes 2-5 include additional information on the themes covered.

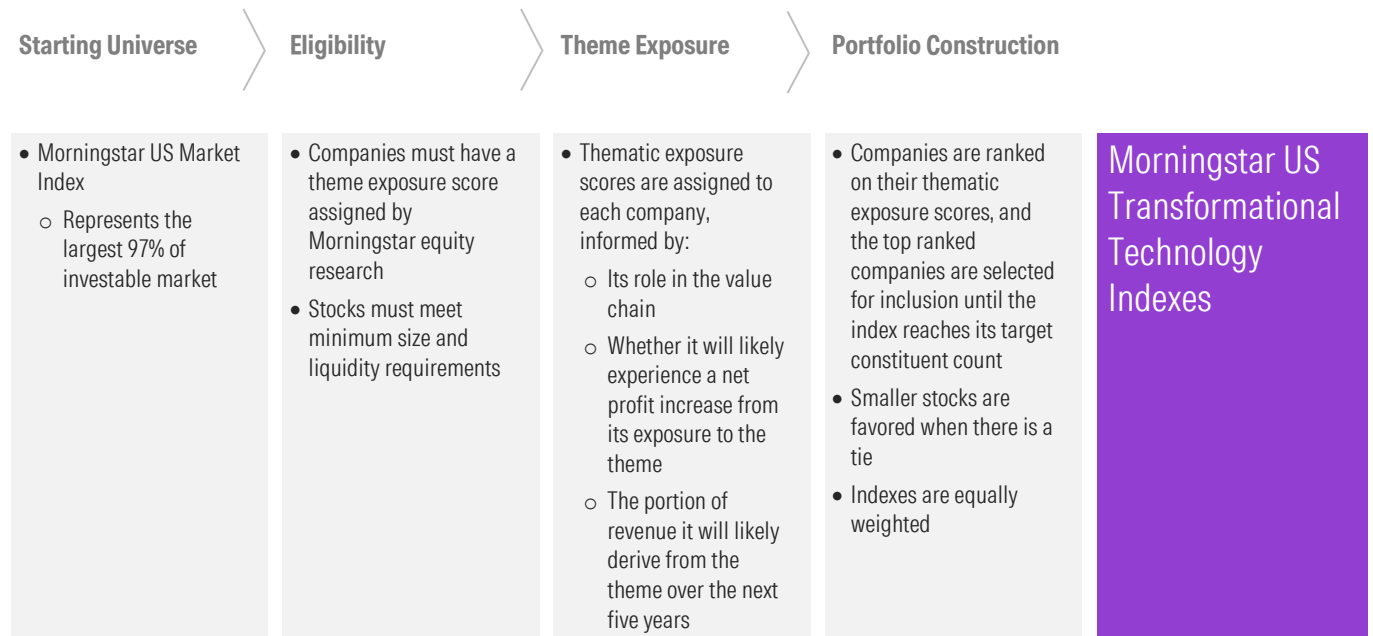
These indexes do not incorporate environmental, social, or governance criteria.

Index Inception and Performance Start Date

The inception dates and the performance start dates, when the first back-tested index values were calculated, for the Morningstar Us Transformational Technologies Indexes are listed in Appendix 5.

Index Construction

Methodology Summary



Starting Universe

At each reconstitution, securities for Morningstar US Transformational Technologies Indexes are derived from the Morningstar US Markets Index (benchmark). For more details on benchmark construction, refer to the [Construction Rules for the Morningstar US Market Index](#).

Eligibility

To be eligible for inclusion in each index, all securities must be part of the benchmark index and meet the following criteria in sequence:

- Companies with average three-month trailing daily trading volume less than \$2 million or free-float market capitalizations less than \$300 million are ineligible for the indexes. Current index constituents are eliminated if they have average three-month trading volume less than \$1.5 million or free-float market capitalization less than \$200 million.
- If a company has more than one eligible share class:
 - Select the one that is a current index constituent.
 - Otherwise, select the most liquid share class determined by Morningstar Indexes.
- Companies must have a valid nonzero (4, 3, 2, or 1) exposure score to the targeted theme(s). Appendix 5 provides the list of targeted themes for each index.

Portfolio Construction

- Qualifying potential constituents are ranked in order that emphasizes exposure to the targeted themes. The ranking criteria is given below by descending order of absolute preference:
 - Number of themes in which a constituent scores 4.
 - Number of themes in which a constituent scores 3.
 - Number of themes in which a constituent scores 2.
 - Number of themes in which a constituent scores 1.
 - Current index constituents are given preference.
 - Company total market capitalization, preferring smaller over larger.
- Companies ranked in the top N of the sorted list are targeted for inclusion in each index.

Number of Stocks

The indexes target a fixed number of 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 indexes can have more or fewer than the targeted number. 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 schedule for reconstitution and corporate actions is available in the "Index Maintenance and Calculation" section. The target counts for all indexes in the family are provided in Appendix 5.

Index Weighting

The indexes are equally weighted. For more details, refer to the [Morningstar Indexes Calculation Methodology rulebook](#).

Index Maintenance and Calculation

Reconstitution and Rebalancing

The index is reconstituted, where the membership is reset, and rebalanced annually. Adjustments are made on the Monday following the third Friday of December. If the Monday is a holiday, reconstitution occurs on the Tuesday immediately following. The market data used for reconstitution is as of the last trading day of November

Because the reconstitution of the Morningstar US Transformational Technologies Indexes is less frequent than the parent index (Morningstar US Market Index), the securities excluded from the parent index at the reconstitution effective date are also deleted from Morningstar US Transformational Technologies Indexes. For clarity, this means that any constituent excluded from the parent index during its reconstitution is also excluded from the Morningstar US Transformational Technologies Indexes at the same date. It will not be replaced, and its weight is reallocated among existing constituents in proportion to its existing weight.

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 alternatively-weighted indexes corporate action methodology. For more details, please refer to the [Morningstar Indexes Corporate Actions Methodology rulebook](#) [Morningstar Index Services Corporate Actions Methodology](#) (for Index Services clients)

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

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

Index calculation data input defects—such as price, dividends, other mandatory corporate actions or foreign-exchange rates, that do not affect the index shares—if discovered within two trading days, are generally corrected, and the index is recalculated regardless of the performance impact.

Where such index calculation data inputs are discovered after two trading days, an index restatement will typically only occur if the impact on performance is material; otherwise, the correction is applied prospectively.

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
Security Selection	The final security selection tiebreak rule switched to using market capitalization in place of float-adjusted market capitalization.	December 2021
Security Selection	Updated ranking criteria	December 2022
Appendix 2 & 3	Updated theme definitions, as well as the scoring framework for Morningstar US Electric & Autonomous Vehicles Index	December 2022
Entire Rulebook	Transitioned to new template.	March 2023
Portfolio Construction	Updated ranking criteria to reflect new scoring scale and company level market cap tiebreak rule	November 2023
Appendix 2	Updated thematic scoring framework, moving to a 0-4 scale from 0-3 and capping scores of downstream users at 0 rather than 1.	November 2023
Data Correction and Precision	Computational and Reporting Precision Section Removed	May 2025
Appendix 4	Updated scoring framework to 0-4 from 0-3 to align with standard equity research scoring scale.	November 2025
Index Cessation	Removal of <i>Big Data and Analytics Index</i>	December 2025
Index Name	The index family name was updated to <i>Morningstar US Transformational Technologies Indexes</i> from <i>Morningstar US Thematic Research Indexes</i>	December 2025

Appendix 2:

Theme Overview and Scoring

As of June 2025, seven themes have been identified:

- **Artificial Intelligence:** The Artificial Intelligence theme encompasses the development, deployment, and integration of AI technologies across content creation, infrastructure, software, and services to drive innovation and efficiency. Related subthemes are Generative AI, AI Data and Infrastructure, AI Software and AI Services.
- **Energy Innovation:** The quest to abate global climate change and reduce greenhouse gases has led to a surge of new energy technologies, investment, and innovation. Related subthemes include Carbon Capture Technologies, Energy Storage, Hydrogen, Smart Grid Technologies, Next Gen Nuclear Technologies and Renewable Energy.
- **Fintech Innovation:** The search for and acknowledgement of nontraditional emerging funding sources, platforms, currency, and stored and transferred value. In some cases, traditional financial services companies are expanding their offerings with innovative, technology-enabled services to meet consumer preferences. On other cases, companies are building new platforms that could potentially transform the industry.
- **Healthcare Innovation:** The Healthcare theme focus on breakthrough innovations in bioinformatics, therapies, and medical devices that improve disease treatment, diagnostics, and overall human health, with the potential for exponential

impact on longevity and quality of life. Related subthemes include Bioinformatics, Innovated Devices & Diagnostics and Innovative Therapies.

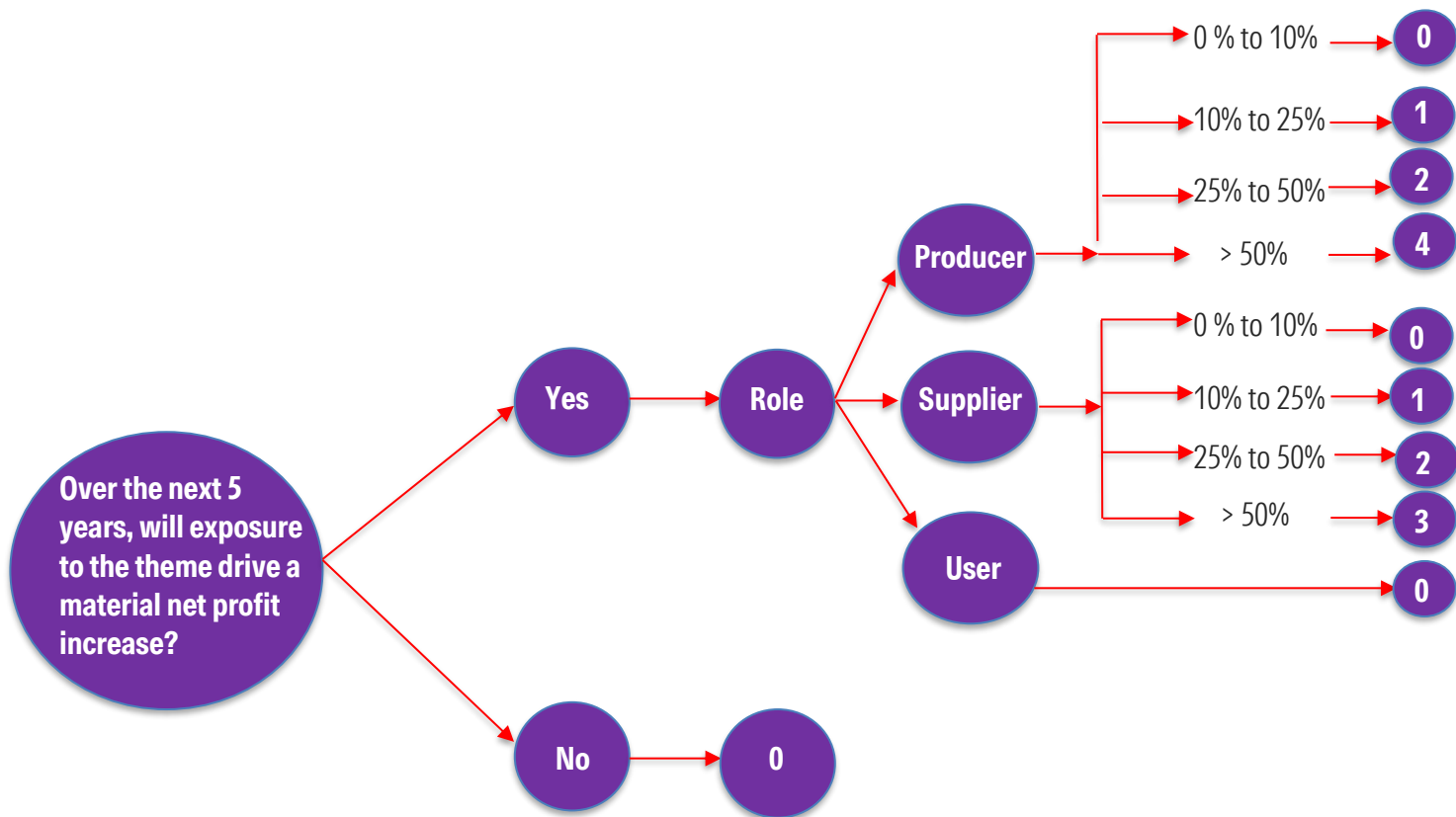
- **Cybersecurity and Defense Tech:** The Cybersecurity & Defense Tech theme focuses on protecting against cyberthreats and advancing military capabilities through cutting-edge technologies like AI, autonomous systems, and hypersonic weapons. These innovations enhance security, efficiency, and strategic advantage while reducing long-term operational costs. Related subthemes include Cybersecurity and Next Gen Defense Technologies.
- **Next Gen Transportation:** Technologies replacing traditional human-operated, internal combustion engine-based vehicles. This includes a wide variety of applications like traditional light vehicles, public transportation vehicles, scooters/bikes, and drones, to name just a few. Related subthemes include Autonomous Driving Technologies and Electric Vehicles.
- **Robotics:** The branch of technology that deals with the design, construction, operation, and application of robots. Advances in robotics have seemingly infinite potential applications, spanning technology, industrial, medical, and consumer-facing channels.

- Step 1

The Exponential Technologies Steering Committee trains analysts on the themes and scoring framework. Rather than relying on single point-in-time metrics, analysts provide forward-looking data points that translate to thematic exposure scores of 0, 1, 2, 3 or 4 across each theme or subtheme.

To garner a thematic exposure score above zero for a given theme, a firm must be classified as being likely to enjoy a material net profit increase from its exposure to that theme over the next five years, based on Morningstar equity analysts' assessments. Analysts then estimate the percent of revenue a firm will likely derive from its exposure to each subtheme at a point in time five years forward and determine each firm's role in the supply chain. These inputs translate into thematic exposure scores in the following manner:

- 0 - A downstream user or less than 10% revenue for a producer or supplier
- 1 - 10%-25% revenue for a producer or supplier
- 2 - 25% -50% revenue for a producer or a supplier
- 3 - Greater than 50% revenue for a supplier
- 4 - Greater than 50% revenue for a producer



Appendix 4: Theme Scoring for Digital Infrastructure & Connectivity

- Step 1:

Managers from Morningstar’s Global Equity Research team identify themes related to digital infrastructure with the potential to drive significant economic benefits to those companies providing associated technologies. As of December, 2021, the index focuses on two themes:

- Infrastructure as a Service (IaaS): Infrastructure as a Service (IaaS) is a solution whereby a public cloud vendor leases commodity equipment and services such as servers, storage, switches, and network access. IaaS is closely related to Platform as a Service (PaaS), which incorporates the core software needed to make hardware usable. PaaS includes the operating system, hypervisor, database, and development tools, among other solutions. The line between the two has blurred over time. Service agreements can range from on-demand burst capacity or full-time digital infrastructure.
- 5G Connectivity (5G): 5G refers to the collection of technology standards that forms the foundation of wireless networks under development around the world. The standards seek to enable significant increases in network capacity and speeds, as well as improved network management capabilities. These factors enable the use of millions of devices simultaneously. Future 5G networks will provide critical links for digital infrastructure between consumer devices, sensors, and a host of other users in the field.

- Step 2

For each subtheme, Morningstar's Equity Research analysts provide forward-looking data points that translate to thematic exposure scores of 0 -4..

To garner a thematic exposure score above zero for a given theme, a firm must be classified as highly likely to enjoy a material net profit increase from its exposure to that theme over the next five years, based on Morningstar equity analysts' assessments. Analysts then estimate the percent of revenue a firm will likely derive from its exposure to each theme at a point in time five years forward, as well as its role in the supply chain. These inputs translate into thematic exposure scores in the following manner:

Expected Revenue in 5 years & role in the supply chain:

- 0 - Less than 10% as a producer, supplier or downstream user
- 1 - 10-25% as a producer or supplier
- 2 - 25-50% as a producer or supplier
- 3 - 50%+ as a supplier
- 4 - 50%+ as a producer

- Step 3

Scores are reviewed annually by the Equity Research team before each reconstitution of the index to help ensure the consistency of exposure scores.

Appendix 5: Inception and Performance Start Dates

Index	Targeted Themes	Inception Date	Performance Start Date	Target Constituent Count
Morningstar US Artificial Intelligence Index	Artificial Intelligence	July 08, 2021	Dec. 19, 2014	30
Morningstar US Nanotechnology Index	Nanotechnology	July 08, 2021	Dec. 19, 2014	30
Morningstar US Robotics Index	Robotics	July 08, 2021	Dec. 19, 2014	30
Morningstar US Financial Services Innovation Index	Fintech Innovation	July 08, 2021	Dec. 19, 2014	30
Morningstar US Electric & Autonomous Vehicles Index	Electric Vehicles, Autonomous Driving Technologies	July 08, 2021	Dec. 15, 2017	30
Morningstar US Digital Infrastructure & Connectivity Index	IaaS, 5G Connectivity	July 08, 2021	Dec. 15, 2017	30

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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