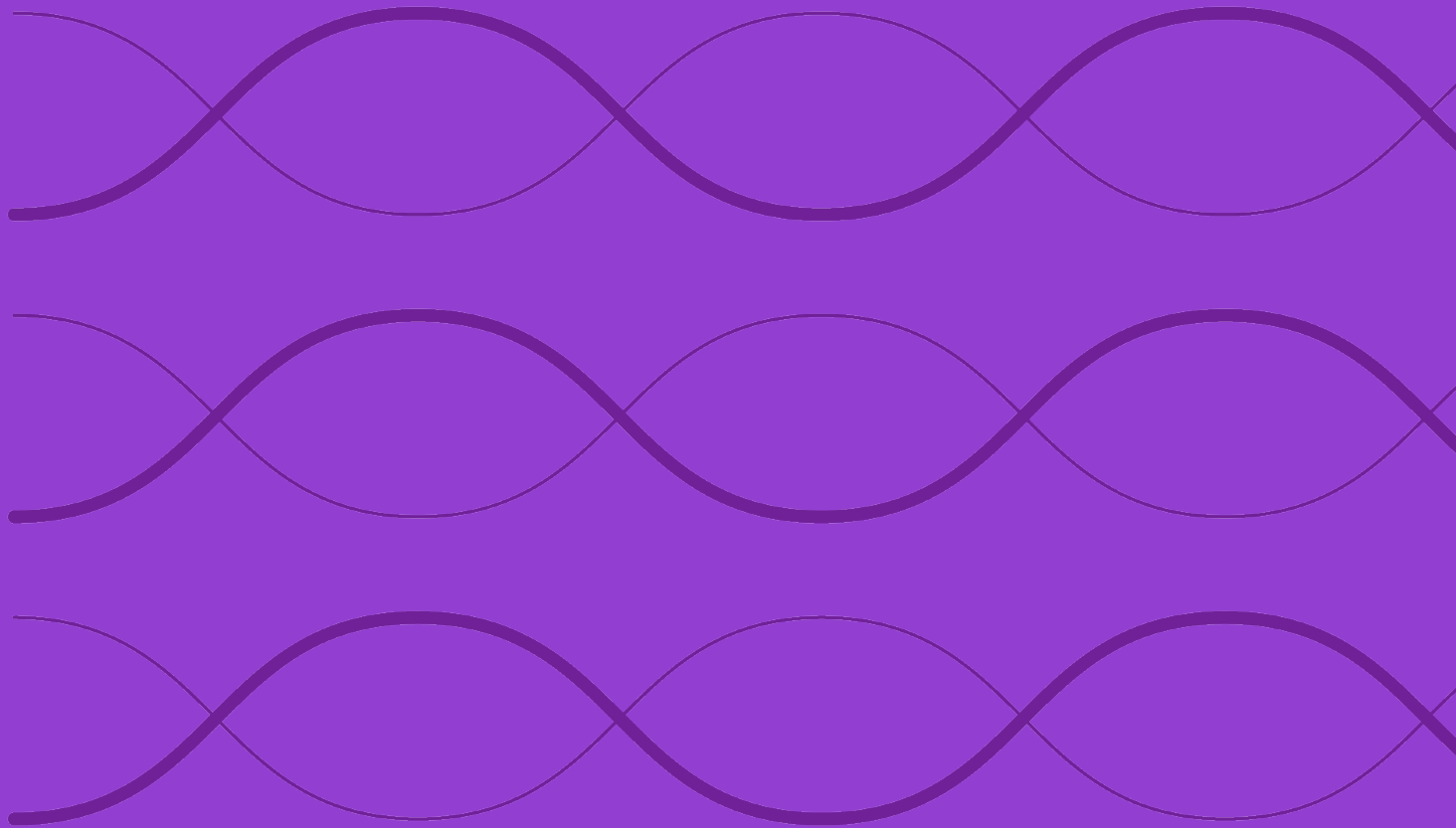


# Morningstar PitchBook US Evergreen Fund Indexes



**Overview ..... 3**

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

Methodology Summary..... 4

Starting Universe..... 4

**Index Maintenance and Calculation..... 5**

Reconstitution and Rebalancing ..... 5

Index Calculation and Price Data..... 6

Disruption Events ..... 7

**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: Glossary..... 9

Appendix 2: Calculation Thresholds and Restatement Period..... 9

Appendix 3: List of Indexes ..... 10

**About Morningstar Indexes ..... 12**

## Overview

The Morningstar PitchBook US Evergreen Fund Index measures the performance of all U.S.-registered, unlisted semiliquid funds, including interval funds, tender offer funds, business development companies (BDCs), and real estate investment trusts (REITs). It provides a rules-based framework to measure and compare performance across the full investable universe of nontraded evergreen vehicles. The indexes are available in total net asset-weighted and equal-weighted variants.

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

## Index Inception and Performance Start Date

The index inception dates, and the performance start dates, when the first back-tested index values were calculated, are mentioned in the [Appendix 3](#).

## Index Construction

### Methodology Summary

#### Starting Universe

- Morningstar Global Closed-End Funds Universe

#### Eligibility

- All US-registered, unlisted evergreen funds are eligible
- Must have at least three months of performance history post inception
- Total net assets of at least \$25mn

#### Security Selection & Portfolio Construction

- For the private capital indexes, all funds within their respective Morningstar Fund Category are selected
- Institutional share classes are selected
- Weighted by total net assets or equally weighted
- Quarterly reconstitution and rebalancing

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### Starting Universe

At each reconstitution, constituents of the Morningstar PitchBook US Evergreen Fund Index are derived from the universe of all Morningstar global closed-end funds.

### Eligibility

To be eligible for index inclusion, all constituents must be US-registered, unlisted evergreen funds, that report NAVs at least monthly. Unlisted evergreen funds are classified as tender offer funds, interval funds, nontraded business development companies (BDCs), and nontraded real estate investment trusts (REITs)<sup>1</sup>.

To be eligible for the index, all constituent funds must meet the following criteria:

- Each eligible share class must have an inception date that is at least three months earlier than the month-end immediately preceding the reconstitution date.
- Each fund must have a minimum of \$25 million in total net assets<sup>2</sup>, which is relaxed to \$12.5 million for existing constituents<sup>3</sup>. The check for existing constituent membership is performed at the fund level and not the specific share class of the fund.

<sup>1</sup> Please refer to [Appendix 1](#) for more information.

<sup>2</sup> The total net asset for a fund is calculated as the aggregate net asset of the fund across all the available share classes.

<sup>3</sup> A buffer reset was carried out for the September 2025 reconstitution, wherein no buffer is applied.

### *Portfolio Construction*

For the private capital subindexes, all funds within their respective Morningstar Fund Category are selected. The private capital carveouts include:

- Private Capital<sup>3</sup>
  - Private Real Estate
  - Private Equity
  - Private Multi-Asset
  - Private Infrastructure
  - Private Debt
    - Direct Lending
    - Alternative Credit

Each fund is represented via a single share class. The following rules, applied sequentially, govern the selection of share class for inclusion in the index.

- If only one share class is available for a fund, that share class is included, regardless of type.
- If multiple share classes are available for a fund, the institutional share class is selected, and all others are excluded.
- If more than one institutional/non-institutional share class is available for a fund, the share class with the highest total net assets is selected as a tie-breaker.

### *Number of Funds*

The number of funds in the index is variable, subject to the selection and eligibility criteria at the time of reconstitution.

### *Index Weighting*

Two variants of the index are created: one weighted by fund total net assets and the other equally weighted.

## **Index Maintenance and Calculation**

### **Reconstitution and Rebalancing**

The index is reconstituted, where the membership is reset, and rebalanced quarterly on the last business day of March, June, September, and December. Adjustments are implemented after previous business day's market close and reflected on the last business day of the month. The market data (which includes the total net assets) used for reconstitution is as of the last trading day of February, May, August, and November. To account for reporting lags, the total net asset data used can be up to 365 calendar days prior.

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

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<sup>3</sup> Venture capital funds are included in the overall Private Capital Index but are not published as a separate index due to limited fund coverage.

## Index Calculation and Price Data

### Index Calculation

The index level on date  $t$  is calculated as:

$$I_t = \frac{MV_t}{D_t}$$

$$MV_t = \sum_{i=1}^N (Q_t^i * P_t^i)$$

Where:

$I_t$	=	Index level as of the month end date $t$ , initially set to $I_0$ on the start date
$MV_t$	=	Cumulative market value of all constituents as of month end date $t$ , initially set to $MV_0$ on the start date
$D_t$	=	Index divisor as of month end date $t$ , where $D_0$ is calculated as $MV_0/I_0$
$Q_t^i$	=	Number of shares of constituent $i$ as on the month end date $t$
$P_t^i$	=	Close price of constituent $i$ as of month end date $t$
$N$	=	Number of holdings in the portfolio

Only funds with an available return data on the calculation date will be included in the index-level calculation for that date. The index will automatically recalculate returns if updated data is reported within the restatement period. The index level is first calculated when the threshold is breached and subsequently the index level is recalculated as and when new prices become available.

We assume buy and hold between portfolio reconstitution dates. On a portfolio reconstitution date, the holding weights are known. With these rules in place, the weights of constituents and the returns of the portfolio are calculated based on the following formulas.

As on any reconstitution date, the index shares for each constituent are calculated as follows:

$$Q_t^i = \frac{w_t^i * MV_{t-1}}{P_{t-2}^i} \quad \dots \text{for index level calculation if } t \text{ is after the index inception date}$$

$$= \frac{w_t^i * MV_{t-1}}{P_{t-1}^i} \quad \dots \text{for index level calculation if } t \text{ is before the index inception date}$$

Where:

$Q_t^i$	=	Number of shares of constituent $i$ as on the month end date $t$
$w_t^i$	=	Target weight of security $i$ as on the reconstitution date $t$
$MV_{t-1}$	=	Cumulative market value of all constituents as of 1-month prior w.r.t. effective date $t$
$P_{t-2}^i$	=	Close price of constituent $i$ as of month end of 2 months prior w.r.t. effective date $t$
$P_{t-1}^i$	=	Close price of constituent $i$ as of previous month end w.r.t. effective date $t$

As on any reconstitution date, the index divisor is calculated as follows:

$$D_t = \frac{\text{Initial } MV_t}{I_{t-1}}$$

$$\text{Initial } MV_t = \sum_{i=1}^N (Q_t^i * P_{t-1}^i)$$

Where:

$Initial\ MV_t$	=	Initial cumulative market value of all constituents as on the effective of the reconstitution date t
$I_{t-1}$	=	Index level as of 1-month prior w.r.t. effective date t

The number of shares and index divisor once calculated on a reconstitution date remains constant until the next reconstitution date, unless in the event of a corporate action. In the event that the price used in calculation of  $Q_t^i$  is unavailable, the corresponding fund is deleted from the index and its weight is redistributed to other funds in their existing proportions. The deleted funds will not be added back to the index even if the price later becomes available.

Returns of individual securities are calculated according to Morningstar's [Total Return Index](#) methodology. A key assumption at the portfolio level calculation is that dividends are reinvested into only the security declaring the dividend and not the portfolio on a pro-rated basis.

### Disruption Events

The following disruption events would require special handling in the indexes:

#### *Liquidation*

If a constituent is liquidated by the fund house, the fund is removed from the index on next index calculation date, and its weight is pro-rated among surviving funds based on the latter's dynamic weights.

#### *Initial Public Offering*

If a constituent is listed on an exchange, the fund is removed from the index on next index calculation date, and its weight is pro-rated among surviving funds based on the latter's dynamic weights.

#### *Mergers*

If a constituent merges with another fund that is not part of the portfolio, the index will hold the combined entity at the original constituent's weight. If a constituent merges with another constituent, the index portfolio will hold the combined entity at a weight equal to the sum of the merging funds weights.

#### *Calculation and/or Publication Disruption*

Morningstar calculates the index levels using a dynamic calculator. Fund NAVs are continuously collected, and index performance is calculated using the latest available information. In this manner, fund reporting delays do not always prevent index-level calculations, provided a minimum NAV reporting threshold is met. The index level is first published when the number of funds reporting NAVs exceeds a specified threshold, for example 60%. Please refer to [Appendix 3](#) for the thresholds used for each of the indexes. Beyond this threshold, index levels are restated and republished as and when more information is received, while keeping a restatement period limit as defined in [Appendix 3](#). The index levels are frozen after the restatement period. Refer to [Appendix 2](#) for more details.

### 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: Glossary

**Unlisted:** A fund, or any of its feeder vehicles, that is not listed on a public exchange.

**Evergreen Fund:** Also known as a semiliquid fund, this type of investment vehicle raises capital continuously and invests it over an indefinite period. Unlike traditional funds that have a fixed lifespan, evergreen funds operate on a perpetual basis, allowing them to accept new investments and make distributions to investors without a predetermined end date. This structure provides flexibility in capital deployment and investment strategy, enabling the fund to adapt to changing market conditions and investment opportunities.

The language around these structures is somewhat fluid. Morningstar and PitchBook generally use “evergreen,” “perpetual capital,” and “semi-liquid” interchangeably. Unlike SEC-defined structures such as interval funds, business development companies (BDCs), or real estate investment trusts (REITs), no overarching term appears to be industry standard.

**Tender Offer Fund:** A tender offer fund is a '40 Act, closed-end investment vehicle that provides investors with access to less liquid assets while still offering some degree of liquidity. Unlike interval funds with required liquidity schedules, tender offer funds allow for share repurchases at the discretion of the fund's board of trustees. These funds operate under specific SEC regulations, including Rule 13e-4 and Section 14 of the Exchange Act, which govern the repurchase process. When initiating a tender, the fund must notify shareholders, complete a Schedule TO, and file with the SEC.

**Interval Fund:** Interval funds are a type of closed-end investment vehicle regulated under the '40 Act. Unlike traditional closed-end funds, interval funds offer shares continuously at NAV and provide periodic liquidity through mandatory repurchase offers at predetermined intervals, typically quarterly or monthly. These funds operate under Rule 23c-3 of the '40 Act, which requires them make repurchase offers of between 5% and 25% of outstanding shares during each interval. Interval funds are an SEC structure as defined [here](#).

**Unlisted Business Development Company (BDC):** Unlisted BDCs are registered with the SEC and are subject to certain provisions of the '40 Act, but they are not publicly traded like their exchange-listed counterparts. They are investment vehicles that provide financing to small and medium-sized businesses while offering investors the opportunity to invest in private companies. They typically invest in the debt and equity of private companies, with at least 70% of their assets invested in qualifying assets. Additional information for publicly traded BDCs [here](#).

**Unlisted Real Estate Investment Trust (REIT):** Unlisted REITs are investment vehicles that allow investors to pool their capital for real estate investments without being listed on public stock exchanges. Private, non-traded REITs are usually exempt from registration with the SEC under Regulation D of the Securities Act of 1933. In contrast, publicly registered, non-traded REITs must adhere to SEC reporting requirements under the '40 Act, providing greater transparency and easily accessible performance data. A REIT is required to invest at least 75% of its assets in real estate. Further, 75% or more of its gross income must be come from rent payments, mortgage interest, or selling properties.

### Appendix 2: Calculation Thresholds and Restatement Period

Given that these fund structures report NAVs at different frequencies and often with a lag, we use a Calculation Threshold and Restatement Period mechanism to avoid disruptions in index calculation and to incorporate the latest available NAV information. The table in [Appendix 3](#) highlights the Calculation Thresholds and Restatement Period used on an ongoing basis. The same Calculation Thresholds are applied for the backtest period and following the index inception date.

The impact of the ongoing Calculation Thresholds and Restatement Period is detailed below, assuming a Calculation Threshold of 60% as an example:

1) Calculation Threshold - The index will not be calculated for a given date if fewer than 60% of funds report NAVs. If at least 60% report NAVs, the index will be calculated. For any funds not reporting a NAV, their index weight will be set to zero and redistributed pro rata to the remaining funds for that calculation date.

2) Restatement Period - All funds are subject to a fixed Restatement Period of 45 business days. If a fund NAV becomes available during the Restatement Period, the index will be restated to incorporate the NAV for that calculation date. If a fund NAV is not reported on the calculation date and remains unavailable throughout the Restatement Period following that calculation date, the fund will be dropped, its weight will be redistributed to the remaining funds, and the index levels will be frozen for that calculation date.

### Appendix 3: List of Indexes

Index Name	Weighting	Calculation Frequency	Calculation Thresholds	Restatement Period (Business Days)	Performance Inception Date	Index Inception Date
Morningstar PitchBook US Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	85%	45	05/31/2014	12/23/2025
Morningstar PitchBook US Private Capital Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	85%	45	05/31/2014	12/23/2025
Morningstar PitchBook US Private Debt Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	05/31/2014	12/23/2025
Morningstar PitchBook US Direct Lending Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	11/30/2014	12/23/2025
Morningstar PitchBook US Alternative Credit Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	05/31/2015	12/23/2025
Morningstar PitchBook US Private Real Estate Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	02/28/2015	12/23/2025
Morningstar PitchBook US Private Equity Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	05/31/2021	12/23/2025
Morningstar PitchBook US Private Multi-Asset Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	08/31/2023	12/23/2025
Morningstar PitchBook US Private Infrastructure Evergreen Fund TR USD	Total Net Assets-Weighted	Monthly	60%	45	02/29/2024	12/23/2025

Morningstar PitchBook US Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	85%	45	05/31/2014	12/23/2025
Morningstar PitchBook US Private Capital Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	85%	45	05/31/2014	12/23/2025
Morningstar PitchBook US Private Debt Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	05/31/2014	12/23/2025
Morningstar PitchBook US Direct Lending Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	11/30/2014	12/23/2025
Morningstar PitchBook US Alternative Credit Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	05/31/2015	12/23/2025
Morningstar PitchBook US Private Real Estate Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	02/28/2015	12/23/2025
Morningstar PitchBook US Private Equity Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	05/31/2021	12/23/2025
Morningstar PitchBook US Private Multi-Asset Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	08/31/2023	12/23/2025
Morningstar PitchBook US Private Infrastructure Evergreen Fund Equal Weighted TR USD	Equally Weighted	Monthly	60%	45	02/29/2024	12/23/2025

## 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.

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

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