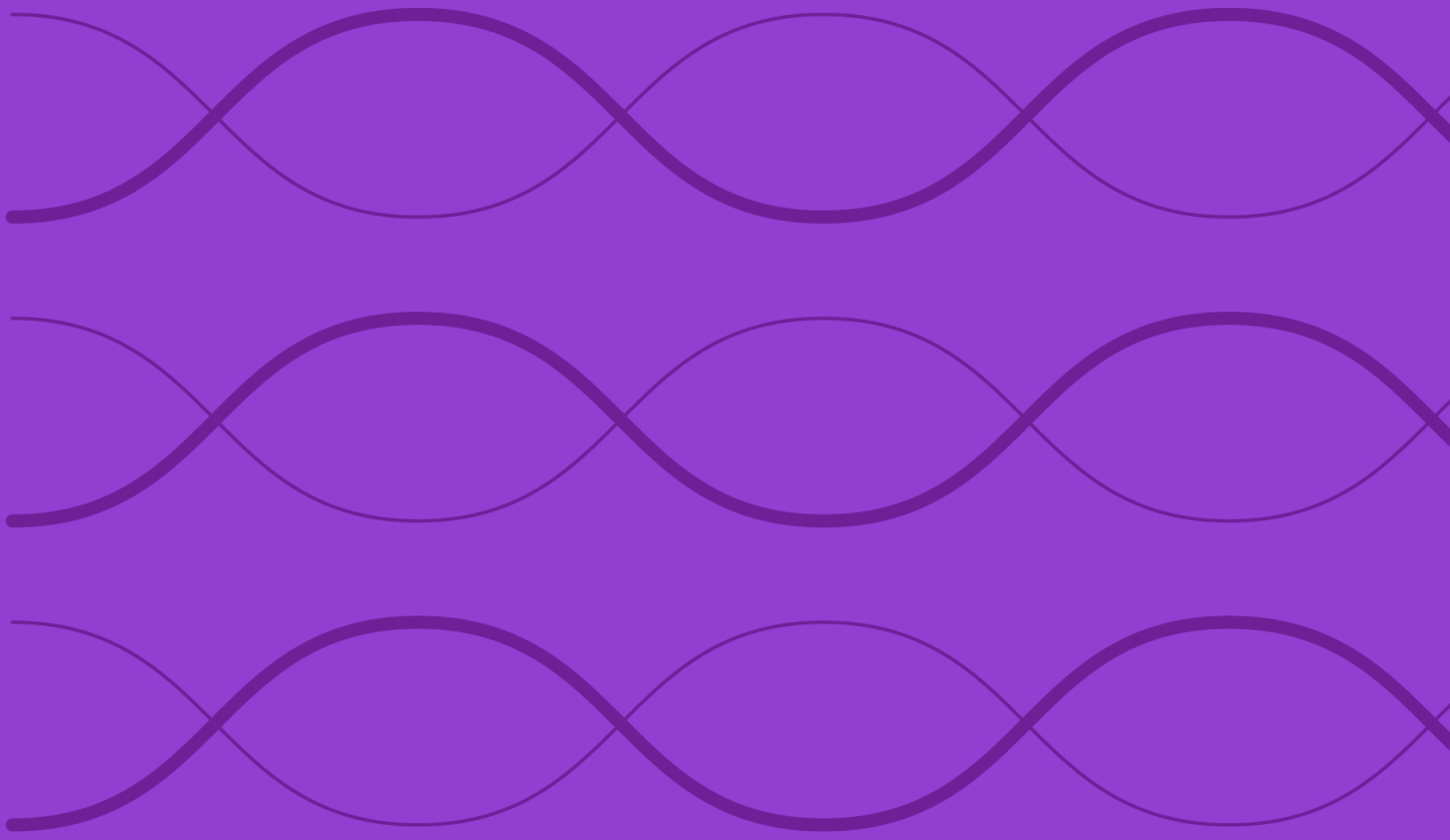
MORNINGSTAR Indexes

Construction Rules for the Morningstar PitchBook GenAI 20 Index



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Overview

The Morningstar PitchBook GenAI 20 Index is designed to track leading generative AI innovators. The index uniquely delivers perpetual exposure to pure-play GenAI companies by drawing from PitchBook's global database of late-stage, venture-backed companies and maintaining coverage through initial public offering and beyond.

For more information on PitchBook data, refer to Appendix 1. For more information on the definition of generative artificial intelligence, please refer to Appendix 2.

This index is not easily replicable and is intended for use primarily as a benchmark for the underlying market and index objective.

Index Inception and Performance Start Date

The index inception date is December 9, 2025, and the performance start date, when the first back-tested index value was calculated, is June 16, 2023.

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Index Construction

Methodology Summary

Starting Universe	Eligibility	Portfolio Construction	Index Maintenance	
• Morningstar PitchBook Global Unicorn Index ○ Represents privately held, venture capital-backed companies with post-money valuations of at least $1 billion • Former Morningstar PitchBook Global Unicorn Index constituents that are now publicly listed	• Companies must be classified as GenAI by PitchBook • Companies domiciled in China are excluded • Public companies must have a market value of at least $1 billion	• Top 20 companies based on valuation[1] are selected • Weighted by valuation with a security cap of 20%	• Quarterly reconstitution • Quarterly rebalancing • IPOs retained in the portfolio • Corporate actions are applied daily • Calculated daily	Morningstar PitchBook GenAI 20 Index

Starting Universe

At each reconstitution, constituents of the Morningstar PitchBook GenAI 20 Index are derived from a starting universe that combines the constituents from the Morningstar PitchBook Global Unicorn Index with all former constituents of the Morningstar PitchBook Global Unicorn Index that are now publicly listed. For more details on benchmark construction for the Morningstar PitchBook Global Unicorn Index, refer to the Construction Rules for the Morningstar PitchBook Global Unicorn Indexes.

Eligibility

To be eligible for inclusion in the Index, all constituents derived from the starting universe must be classified as GenAI by the PitchBook Emerging Technology Research team based on the definition in Appendix 2.

Portfolio Construction

At each index reconstitution, the 20 largest companies based on latest valuation are selected from the eligible universe. Private company valuation is based on post-money valuations sourced from PitchBook, while public company valuations use full market capitalization. In the event that two or more companies have the same post money valuation, priority is given to existing index constituents. If the tie remains unresolved, the company with the higher secondary market valuation is selected.

[1] Private company valuations use post-money valuations sourced from PitchBook, while public company valuations use full market capitalization.

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Number of Stocks

The index targets 20 stocks based on a transparent ranking system subject to selection and eligibility criteria at reconstitution. The index can have more or fewer than the targeted number 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. 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.

Index Weighting

The index constituents are weighted as per their latest valuations. Private company valuations are based on post-money valuations sourced from PitchBook, while public company valuations use free-float-adjusted market capitalization. Constituent weights, including securities that are publicly listed and being held in the portfolio, are subject to a cap of 20%. During reconstitution, if the number of securities selected is less than the target, index constituent weights will be subject to a cap of 25%.

Index Maintenance and Calculation

Reconstitution and Rebalancing

The Index is reconstituted, where the membership is reset and rebalanced, quarterly in March, June, September, and December on the Monday following the third Friday. If Monday is a holiday, the reconstituted Index is effective on the immediately following business day.

Universe selection based on PitchBook data is as of the last trading day of January, April, July, and October. The PitchBook market data used for reconstitution is as of the last trading day of February, May, August and November. Companies may be deemed unfit for inclusion based on deal structures or investor types. These companies will be identified by PitchBook analysts and will be removed from the universe.

A preliminary rebalancing report, or pro forma, indicating expected changes to the composition of the Index will be available for review seven business days prior to the reconstitution effective date, excluding the Friday preceding the effective date. The reference date used to capture pricing for weight calculations is two business days prior to the proforma start date.

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

Corporate Actions

Corporate actions are reflected daily. When a constituent undergoes an IPO, it is not dropped from the index. At the index reconstitution immediately following the IPO, Index membership of the publicly listed company will be reassessed, and the publicly listed company will continue to be part of the index as long as it meets the index eligibility and security selection criteria. With the exception of public listings, all other corporate actions for private companies are treated in accordance with the Morningstar Corporate Actions Methodology for Private Companies. The treatment of public company corporate actions is as per the float market-capitalization-weighted indexes. For more details, please refer to the Morningstar Indexes Corporate Actions Methodology rulebook.

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Index Calculation and Valuation Data

Details about index calculations can be found in the Morningstar Indexes Calculation Methodology rulebook.

The Index constituents are priced using the latest post-money valuation sourced from Pitchbook. When a constituent raises a new funding round, its pre-money valuation on the deal date is used for calculating index performance, thereby excluding the impact of newly raised capital. Post-money valuations for secondary transactions are not considered.

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 daily highs or lows, it is corrected retroactively as soon as is feasible.

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 Indexes Methodology Committee, and in all instances, the application of a nonstandard process will be reported to the Morningstar Indexes Oversight Committee.

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Appendixes

Appendix 1: PitchBook Data

- Headquartered in Seattle, PitchBook, a Morningstar company, is the largest provider of data on private markets. PitchBook employs over 1600 employees and covers 3.4 million private companies.
- PitchBook provides data, research and analysis on private and public companies. The company specializes in researching global M&A, private equity and venture capital investments along with all participating parties, including limited partners, investors, service providers and the professionals involved.
- PitchBook provides the investment community with a proprietary data platform, research tools and custom analysis to enable better investment decisions.

Appendix 2: Generative AI Definition

The PitchBook Emerging Research Technology team identifies companies at the forefront of generative artificial intelligence innovation. For the purposes of this index, eligible companies are those primarily engaged in the development of generative artificial intelligence technologies or in providing the platforms, infrastructure, or services that enable their creation and deployment. The following categories represent the key technologies and enablers underpinning generative artificial intelligence:

- **Machine Learning:** Algorithms that learn from data to improve predictions or decisions.
- **Deep Learning:** Multi-layer neural networks used for image, speech, and text processing.
- **Natural Language Processing:** Techniques enabling machines to understand and generate human language.
- **Computer Vision:** Models that analyze and interpret images and video for recognition and detection tasks.
- **Expert Systems and Knowledge Representation:** Rule-based engines and structured models that support decision-making.
- **Speech Recognition and Conversational AI:** Tools that convert speech to text and enable interactive, voice-based communication.
- **AI Development Platforms:** Tools for training, deploying, and monitoring AI models.
- **Data Labeling and Annotation:** Processes that tag data to support model training and validation.
- **Agentic AI:** Autonomous systems capable of reasoning and executing multi-step tasks.

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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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