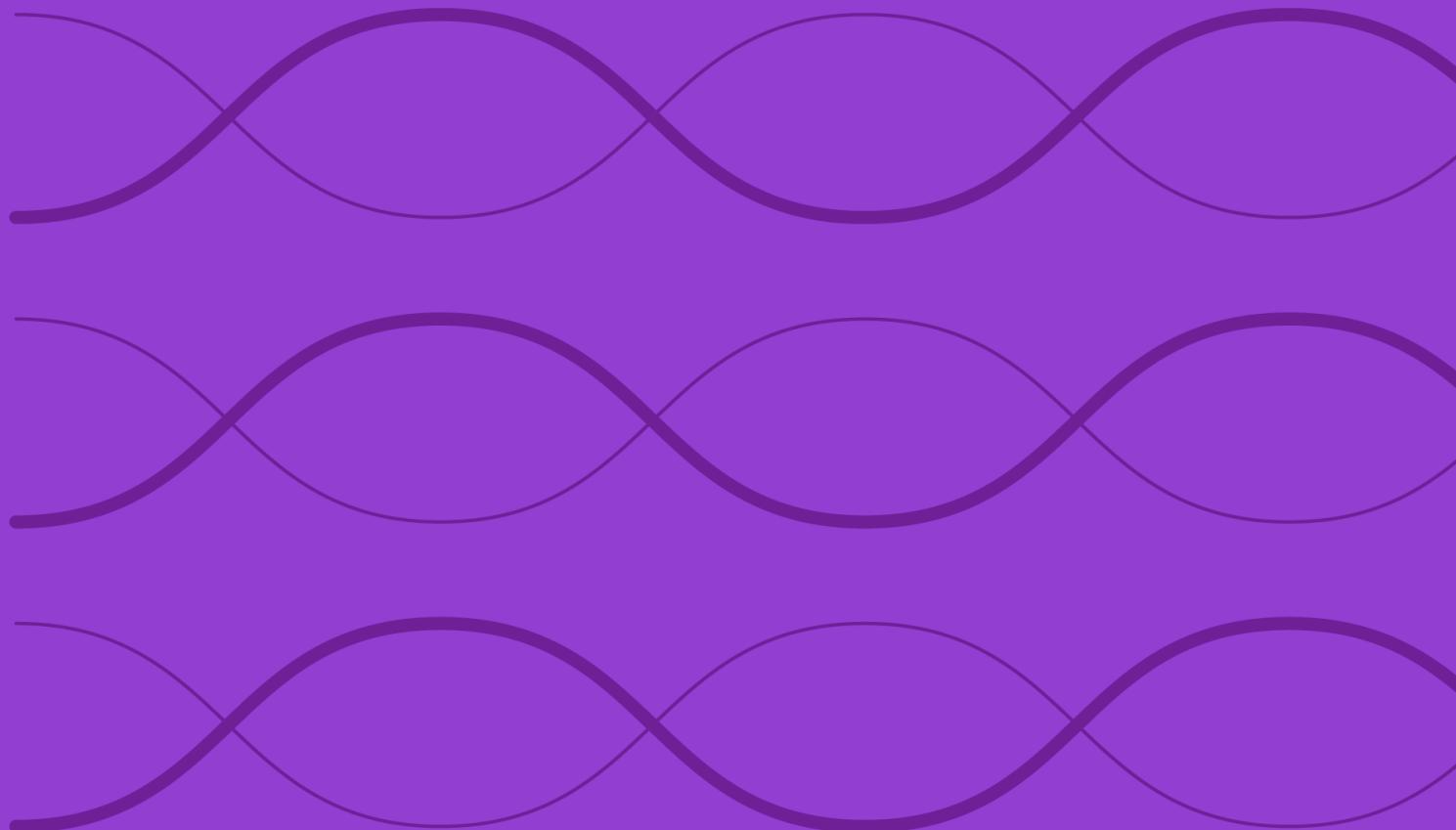


MORNINGSTAR Indexes

# Morningstar Indexes

## IOSCO Statement of Compliance



## IOSCO Statement of Compliance

This IOSCO Statement of Compliance includes Morningstar Indexes' responses to the International Organization of Securities Commissions' Principles for Financial Benchmarks (the "IOSCO Principles") and the outcome of a review of those responses by Morningstar's Global Audit & Assurance function.

It is structured as follows:

- **Section I** contains an overview of Morningstar, company history, business, and descriptions of major index families that comply with IOSCO.
- **Section II** contains the independent auditor's report issued by Global Audit & Assurance, Morningstar's internal audit function.
- **Section III** includes the management statement of compliance with the IOSCO principles.
- **Section IV** details Morningstar's responses to individual IOSCO principles followed by the procedures.

### Section I: Overview

#### About Morningstar, Inc.

Morningstar, Inc. is a leading provider of independent investment insights in North America, Europe, Australia, and Asia. The Company offers an extensive line of products and services for individual investors, financial advisors, asset managers and owners, retirement plan providers and sponsors, institutional investors in the debt and private capital markets, and alliances and redistributors. Morningstar provides data and research insights on a wide range of investment offerings, including managed investment products, publicly listed companies, private capital markets, debt securities, and real-time global market data. Morningstar also offers investment management services through its investment advisory subsidiaries, with approximately \$369 billion in AUMA as of Sept. 30, 2025. The Company operates through wholly owned subsidiaries in 32 countries. For more information, visit [www.morningstar.com/company](http://www.morningstar.com/company).

#### About Morningstar Indexes

As the fastest-growing global index provider for the last five years, according to Burton-Taylor International Consulting, Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Morningstar's rich heritage as a transparent, investor-focused leader in data and research uniquely equips Morningstar Indexes to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across all major asset classes, styles, and strategies. From assessing risk and return with traditional benchmarks to helping investors effectively incorporate ESG objectives into their investment process, our range of index solutions spans an investment landscape as diverse as investors themselves. We help investors answer today's increasingly complex questions so that they can more easily reach tomorrow's goals. Please visit [indexes.morningstar.com](http://indexes.morningstar.com) for more information.

## **Morningstar Index Families**

### **Morningstar Equity Global Markets Indexes**

The Morningstar Global Markets Indexes represent the top 97% of the investable global equity market and provide extensive building blocks across geographical regions, developed and emerging markets, individual countries, sectors, and currencies. The indexes are built and maintained according to a transparent set of rules, and only liquid stocks that are readily available to institutional investors are included, ensuring accurate and objective representation of the investment opportunity set for active managers and mitigating transaction costs for passive investors.

### **Morningstar Equity Market Cap Indexes**

The Morningstar Equity Market Cap family is designed to provide comprehensive performance tracking for the US equity market by size segments. Representing the top 97% of the investable global equity market, the indexes provide extensive building blocks across geographical regions, developed and emerging markets, and individual countries. The indexes are built and maintained according to a transparent set of rules to facilitate accurate performance benchmarking and efficient portfolio construction.

### **Morningstar Equity Sector and Industry Indexes**

The Morningstar Global Sector Indexes are designed to facilitate accurate performance benchmarking and efficient portfolio construction across 11 sectors and 145 industries as defined by the Morningstar Global Equity Classification Structure (GECS), a single, unified sector classification scheme which categorizes companies based on their primary lines of business. The indexes are derived from the Morningstar Global Market Index, which represents the top 97% of the investable market.

### **Morningstar Equity Style Indexes**

The Morningstar US Style Indexes are designed to accurately represent size and style segments of the US equity market using transparent, rules-based methodology. Size assignments are determined by targeting a fixed percentage of market capitalization, which maintains consistency over time. Style assignments are underpinned by a 10-factor model that paints a holistic picture of style and aligns with the Morningstar Style Box.

### **Morningstar Equity Broad Style Indexes**

The Morningstar Broad Style Indexes are designed to accurately represent the size and style segments of the US equity market using a transparent, rules-based methodology. Size index assignments are determined by targeting a fixed percentage of market capitalization, which maintains consistency over time. Style index assignments are underpinned by a 10-factor model that paints a holistic picture of style and aligns with the Morningstar Style Box. Blend stocks can be members of both the growth and value indexes.

### **Morningstar Equity Target Market Exposure (TME) Indexes**

The Morningstar Target Market Exposure (TME) Indexes represent the top 99% of the investable global equity market and provide extensive building blocks across geographical regions, developed and emerging markets, individual countries, sectors, and currencies. The indexes are built and maintained according to a transparent set of rules, and only liquid stocks that are readily available to institutional investors are included, ensuring accurate

and objective representation of the investment opportunity set for active managers and mitigating transaction costs for passive investors.

### **Morningstar Equity Global Style Indexes**

The Morningstar Global Style Indexes are designed to accurately represent size and valuation segments of the global equity market using a transparent, rules-based methodology. They align with the value/growth style methodology of the Morningstar Style Box for equities. Size index assignments are determined by targeting a fixed percentage of market capitalization, which maintains consistency over time. Style index assignments are underpinned by a 10-factor model incorporating both backward- and forward-looking metrics. The indexes reflect that companies can display both growth and value characteristics and may therefore be members of both growth and value indexes.

### **Morningstar Equity TME Market Cap Indexes**

The Morningstar Equity TME Market Cap Indexes are designed to provide comprehensive performance tracking for the US equity market by size segments. Representing the top 99% of the investable global equity market, these indexes provide extensive building blocks across geographical regions, developed and emerging markets, and individual countries. The indexes are built and maintained according to a transparent set of rules to facilitate accurate performance benchmarking and efficient portfolio construction.

### **Morningstar Equity TME Sector and Industry Indexes**

The Morningstar Equity TME Sector Indexes are designed to facilitate accurate performance benchmarking and efficient portfolio construction across 11 sectors and 145 industries as defined by the Morningstar Global Equity Classification Structure (GECS), a single, unified sector classification scheme which categorizes companies based on their primary lines of business. These indexes are derived from the Morningstar Target Market Exposure Index, which covers stocks representing the top 99% of the investable market.

### **Morningstar Dividend Indexes**

The Morningstar Dividend Index Family is comprised of a range of index series designed to provide targeted exposure to dividend-paying equities by applying a transparent, rules-based methodology. The indexes start with a broad parent equity universe and then screen for companies that meet specific dividend criteria, such as yield, consistency, and sustainability of payouts. Constituents are typically weighted based on dividend-related metrics such as actual dividend payments or dividend yield rather than market capitalization. The goal is to offer investors systematic access to dividend-focused strategies that aim to deliver income and potential long-term returns while maintaining diversification and investability.

### **Morningstar Equity Strategic Beta Indexes**

The Morningstar Equity Strategic Beta Index Family consists of indexes that apply transparent, rules-based methodologies to target specific investment styles, factors, or themes. The indexes aim to deliver differentiated risk/return profiles compared to standard market-cap-weighted benchmarks.

## **Morningstar Factor Indexes**

The Morningstar Factor Indexes are designed to deliver efficient, strong exposure to industry standard equity factors. The indexes are constructed with transparent, rules-based methodology that aims to mitigate unintended sector and regional biases and facilitate investability.

## **Morningstar Thematic Indexes**

The Morningstar Thematic Indexes are designed to deliver unparalleled thematic purity across a range of durable themes drawing on the in-depth knowledge and forward-looking insights.

## **Morningstar Economic Moat Indexes**

The Morningstar Moat Focus Indexes are designed to provide exposure to companies with Morningstar Economic Moat Ratings of wide or narrow that are trading at the lowest current market price/fair value ratios in their respective parent benchmarks. Moat ratings and fair value estimates are determined through independent research conducted by the Morningstar equity research team.

## **Morningstar Gender Diversity Indexes**

The Morningstar Gender Diversity Indexes pursue objectives that align with environmental, social, and governance standards in reference to gender diversity. Built with the data and scoring methodology of Equileap, the indexes are designed to emphasize companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender.

## **Morningstar Equity Sustainability Indexes**

The Morningstar Sustainability Indexes are designed to deliver diversified, broad exposure to the market with lower environmental, social, and governance (ESG) risk. The index targets stocks representing the top 50% of the parent index by market cap with the lowest ESG Risk Ratings, while limiting sector and regional tilts relative to the broad market.

## **Morningstar Core Bond APAC Indexes**

The Morningstar Core Bond APAC Indexes are a comprehensive, modular range of indexes designed to reflect the performance and fundamental characteristics of the Asia Pacific bond markets. Coverage includes Treasury, government-related, and corporate asset classes and can be tailored according to a wide variety of specifications and exposures.

## **Morningstar Core Bond Europe Indexes**

The Morningstar Core Bond Europe Indexes are a comprehensive, modular range of indexes designed to reflect the performance and fundamental characteristics of the Eurozone bond market. Coverage includes Treasury, government-related, covered, and corporate asset classes and can be tailored according to a wide variety of specifications and exposures.

## **Morningstar Core Bond Global Indexes**

The Morningstar Core Bond Global Indexes are a comprehensive, modular range of indexes designed to reflect the performance and fundamental characteristics of the global bond market. Coverage includes Treasury, government-

related, securitized, and corporate asset classes and can be tailored according to a wide variety of specifications and exposures.

### **Morningstar Core Bond North America Indexes**

The Morningstar Core Bond North America Indexes are a comprehensive, modular range of indexes designed to reflect the performance and fundamental characteristics of the US and Canadian bond markets. Coverage includes Treasury, government-related, securitized, and corporate asset classes and can be tailored according to a wide variety of specifications and exposures.

### **Morningstar Bond Strategic Beta Indexes**

The Morningstar Bond Strategic Beta Indexes apply transparent, rules-based methodologies to target specific investment styles, factors, or themes. The indexes aim to deliver differentiated risk/return profiles compared to standard market-value weighted benchmarks.

### **Morningstar Bond Sustainability Indexes**

The Morningstar Bond Sustainability Indexes represent Treasury or corporate bonds tilted toward countries or select issuers with lower sustainability risk, as measured by Sustainalytics data.

### **Morningstar European Leveraged Loan Indexes**

The Morningstar European Leveraged Loan Indexes are designed to deliver comprehensive, precise coverage of the European leveraged loan market. Underpinned by PitchBook LCD data, the indexes bring transparency to the performance, activity, and key characteristics of the market.

### **Morningstar Leveraged Loan Custom Indexes**

The Morningstar Leveraged Loan Custom Indexes are bespoke indexes developed exclusively to meet specific client-defined requirements, with each index designed and constructed according to a custom methodology.

### **Morningstar US Leveraged Loan Indexes**

The Morningstar US Leveraged Loan Indexes are designed to deliver comprehensive, precise coverage of the US leveraged loan market. Underpinned by PitchBook LCD data, the indexes bring transparency to the performance, activity, and key characteristics of the market.

### **Morningstar Global and Tradeable Leveraged Loan Indexes**

The Morningstar Global Leveraged Loan Indexes are designed to deliver comprehensive, precise coverage of the global leveraged loan market. The Morningstar Tradeable Leveraged Loan Indexes are designed to deliver coverage of the most highly liquid and tradeable segments of the leveraged loan market. Underpinned by PitchBook LCD data, the indexes bring transparency to the performance, activity, and key characteristics of the market.

### **Morningstar 529 College Savings Indexes**

The Morningstar 529 College Savings Indexes are a series of tax-advantaged investment plans designed to meet the benchmarking needs of those attempting to fund a college education as defined under Section 529 of the US Internal Revenue Code. The indexes use an optimal glide path or adjustment in asset-class exposures over time for a given risk tolerance and target graduation date.

## **Morningstar Alternatives Indexes**

The Morningstar Alternatives Indexes are rules-based indexes that track asset classes that tend to respond to shifts in economic cycles, commodity markets, and inflationary pressures.

## **Morningstar Medalist Indexes**

The Morningstar Medalist Indexes are rules-based, equal weighted indexes designed to provide exposure to ten best-in-class European open-end equity or fixed income funds using the Morningstar Medalist Rating, a forward-looking managed investment rating system.

## **Morningstar Fund Indexes**

The Morningstar Fund Indexes are designed to provide exposure to a portfolio of open-end funds that meet the target eligibility criteria.

## **Morningstar Multi-Asset Indexes**

The Morningstar Multi-Asset Indexes offer an array of risk-based, time horizon, and thematic multi-asset index strategies that leverage Morningstar Indexes as the underlying asset allocation building blocks.

## **Morningstar Target Allocation Indexes**

The Morningstar Target Allocation Indexes are a market-based tool designed for creating and benchmarking multi-asset investment portfolios according to region-specific asset class preferences and risk tolerances. By leveraging Morningstar's database of multi-asset funds to determine weights across key asset classes, the indexes provide investors with a market based, regionally relevant asset allocation framework that is aligned with the Morningstar Categories for Allocation Funds.

## **Morningstar US Target Date Indexes**

The Morningstar Target Date Indexes are a market-based tool designed for creating and benchmarking target date investment portfolios according to local asset class preferences and risk tolerances as they evolve before and during retirement. By leveraging Morningstar's database of target date funds to determine weights across key asset classes, the indexes provide investors with a locally oriented target date asset allocation framework that is aligned with the Morningstar Categories for Target Date Funds.

## **Morningstar Lifetime Allocation Indexes**

The Morningstar Lifetime Allocation Indexes are broadly diversified indexes that help US investors mitigate the challenges related to saving for retirement, managing evolving risk appetites, and navigating postretirement income investing. The indexes utilize asset allocation methodologies developed and maintained by Morningstar Investment Management, a leader in asset allocation research for over 30 years.

## **Morningstar US Target Risk Indexes**

The Morningstar Target Risk Indexes embed Morningstar's expertise in asset allocation, according to five investor risk profiles. The asset allocation for the indexes is underpinned by research and methodologies developed and maintained by Morningstar Investment Management. The series utilizes Morningstar Indexes as asset allocation building blocks and is designed to meet the needs of investors seeking to maintain a target level of equity exposure through a portfolio diversified across equities, fixed income, and cash.

### **Morningstar Stable Value Fund Indexes**

The Morningstar Stable Value Fund Indexes measure the performance of approximately 75% of the U.S. collective investment trust stable-value fund pooled universe. The indexes serve as a benchmarking tools for stable-value asset managers and provide insight into stable-value market trends.

### **Morningstar PitchBook Global Unicorn Vertical Indexes**

The Morningstar PitchBook Global Unicorn Industry Vertical Indexes track privately held, venture capital-backed companies with post-money valuations of at least \$1 billion. The index series represents a range of emerging themes experiencing the highest pace of innovation. Index constituents are derived from the Morningstar PitchBook Global Unicorn Index, and each index represents eligible unicorns from a select PitchBook analyst-curated industry vertical. The indexes deliver timely insights and unprecedented transparency into the performance and behavior of specific segments of the market.

### **Morningstar PitchBook Global Unicorn Indexes**

The Morningstar PitchBook Global Unicorn Indexes track privately held, late-stage venture capital-backed global companies with post-money valuations of at least \$1 billion. Index constituents are derived from PitchBook's database of venture capital-backed companies. The indexes deliver timely insights and unprecedented transparency into the performance and behavior of global unicorns.

### **Morningstar PitchBook Modern Market Indexes**

The Morningstar PitchBook US Modern Market 100 Index tracks 100 of the largest and most influential U.S.-domiciled companies—90 public and 10 private venture-backed. It uses a transparent, rules-based methodology, with companies weighted by market value. The index seamlessly integrates public and private markets to represent today's expanding investment opportunity.

### **Morningstar PitchBook Listed Private Equity Indexes**

The Morningstar PitchBook Listed Private Equity Indexes track the performance of public companies with significant private equity exposure.

### **Morningstar PitchBook Buyout Replication Indexes**

The Morningstar PitchBook Buyout Replication Indexes are designed to capture the key characteristics of buyout investing by tracking publicly traded stocks that resemble companies in private equity buyout funds. They employ a systematic approach, combining top-down industry exposure aligned with the buyout market and bottom-up company selection using dynamic public market data to identify mature businesses with established cash flows.

### **Morningstar PitchBook Evergreen Fund Indexes**

The Morningstar PitchBook US Evergreen Fund Indexes measure 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). They provide 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.

## Section II: Independent Auditor's Report

To: Morningstar Indexes  
From: Elise Castaneda, Chief Audit Executive  
Date: January 30, 2026  
Subject: Morningstar Indexes IOSCO Compliance Review

### Background

The IOSCO Principles were published in 2013 with the goal of creating an overarching framework of principles for benchmarks used in financial markets. Specifically, IOSCO sought to articulate policy guidance and principles for benchmark activities to address governance and accountability, as well as the quality and transparency of benchmark design and methodologies. These 19 principles set forth a comprehensive set of objectives and standards on how index providers should operate.

Morningstar Indexes engaged Morningstar's Global Audit and Assurance (GAA) team to perform an independent assessment of Morningstar Indexes' compliance with the IOSCO Principles for Financial Benchmarks as of January 1, 2025. Reporting to the Audit Committee of the Board of Directors, GAA provides Morningstar with organizationally independent, risk-based, and objective assurance and consulting services to evaluate and improve Morningstar's governance, risk management and control processes.

### Objectives and Scope

The objective of this review was to independently assess the business processes and internal controls in place within Morningstar Indexes to address the IOSCO Principles and provide assurance that the business is adhering to them and to ensure these business processes and internal controls are properly reflected in this IOSCO Statement of Compliance issued by Morningstar Indexes.

The scope and methodology of this review consisted of the following:

- Inquire and obtain documentation representing Morningstar Indexes' business processes, governance practices and internal control structure supporting the benchmark determination process;
- Evaluate management's Statement of Compliance and independently assess the design and operational effectiveness of Morningstar Indexes' operations in accordance with the IOSCO Principles for Financial Benchmarks; and
- Identify any gaps in compliance or opportunities for improvement based on best practice guidance and document overall compliance assessment.

GAA conducted this review in conformance with Global Internal Audit Standards, as issued by the Institute of Internal Auditors.

### Statement of Compliance

We found that the business processes and internal controls in place within the Morningstar Index operations generally complied with the IOSCO Principles for Financial Benchmark as of January 1, 2025. Additionally, we confirmed that the IOSCO Statement of Compliance as documented by Morningstar Indexes is fairly stated and accurately presents the business processes and internal controls in place within the benchmark determination process.

### **Section III: Morningstar Indexes President's Message**

We are pleased to share with the market and key stakeholders the latest review of our adherence to the IOSCO Principles.

The IOSCO Principles, issued in 2013, remain vital in ensuring indexes are produced independently, transparently, and with appropriate levels of oversight. Our fundamental mission for Morningstar Indexes is to empower and deliver more value to investors, and our global range of indexes draw on the strengths, insights and unique intellectual property of Morningstar to deliver tools for our clients to pursue a range of investment outcomes.

We believe investors continue to look for better value from their index provider. This means core beta indexes used for benchmarking purposes, arguably now a commodity, should be inexpensive whilst maintaining independence and reliability. Additionally, strategic beta indexes for use in connection with investable products should be innovative, research-driven, and differentiated. We are responding to this need by offering a best-in-class core beta benchmark offering, and by continuing to utilize the unique intellectual property developed across Morningstar to offer strategic beta indexes to address ever evolving investor demand.

And, above all, Morningstar Indexes delivers these indexes in a responsible and transparent manner, as outlined in this IOSCO Statement of Compliance. We continue to support IOSCO's work to create and maintain a global framework to ensure our clients receive the indexes they need.

Sincerely yours.



Amelia Furr

## Section IV: Morningstar Responses to IOSCO Principles

<b>IOSCO Principle 1: Overall Responsibility of the Administrator</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
<p>The administrator should retain primary responsibility for all aspects of the benchmark determination process. This includes:</p> <ul style="list-style-type: none"> <li>A. Development: The definition of the benchmark and benchmark methodology;</li> <li>B. Determination and dissemination: Accurate and timely compilation, publication, and distribution of the benchmark;</li> <li>C. Operation: Ensuring appropriate transparency over significant decisions affecting the compilation of the benchmark and any related determination process, including contingency measures in the event of absence of or insufficient inputs, market stress or disruption, failure of critical infrastructure, or other relevant factors, and;</li> <li>D. Governance: Establishing credible and transparent governance, oversight, and accountability procedures for the benchmark determination process, including an identifiable oversight function accountable for the development, issuance, and operation of the benchmark.</li> </ul>	<p>Morningstar Indexes, as the administrator, holds responsibility for all aspects of the administration of Morningstar Indexes through all stages including the development, determination, dissemination, operation, and governance of the benchmark. Applicable policies and processes relating to each index are further discussed in their individual methodologies/rulebooks.</p>
<b>IOSCO Principle 2: Oversight of Third Parties</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
<p>Where activities relating to the benchmark determination process are undertaken by third parties, for example, collection of inputs, publication, or where a third-party acts as a calculation agent, the administrator should maintain appropriate oversight of such third parties. The administrator (and its</p>	<ul style="list-style-type: none"> <li>A. Where Morningstar Indexes is sourcing data from a third-party data vendor, the provision of this data is pursuant to a written contract between Morningstar and the third-party data vendor. Morningstar Indexes works with Morningstar Data Procurement to contract with third party data vendors. The</li> </ul>

<p>oversight function) should consider adopting policies and procedures that:</p> <ul style="list-style-type: none"> <li>A. Clearly define and substantiate through appropriate written arrangements the roles and obligations of third parties that participate in the benchmark determination process well as the standards the administrator expects these third parties to comply with;</li> <li>B. Monitor third parties' compliance with standards set out by the administrator;</li> <li>C. Make available to stakeholders and any relevant regulatory authority the identity and roles of third parties that participate in the benchmark determination process, and;</li> <li>D. Take reasonable steps, including contingency plans, to avoid undue operation risk related to the participation of third parties in the benchmark determination process.</li> </ul> <p>This principle does not apply in relation to a third party from whom an administrator source data if that third party is a regulated market or exchange.</p>	<p>majority of data vendor relationships, with the exception of exchanges, are managed by the Morningstar Data Procurement team.</p> <ul style="list-style-type: none"> <li>B. The Index Oversight Committee (the "IOC") is responsible for overseeing the quality controls that monitor third parties' input to ensure that: (1) data inputs meet the standards required by the benchmark methodologies, (2) that all third party data inputs are covered by written license agreements, and (3) a robust process is followed for the selection of third party data inputs. File delivery times and other quality-assurance checks are in place to actively track the integrity of third-party services. In the event of data discrepancy or delayed deliverables, Morningstar will contact the third-party vendor's client-services representative.</li> <li>C. All relevant information such as the identity and roles of third parties involved in the benchmark determination process is available to stakeholders and relevant regulatory authorities.</li> <li>D. Morningstar Indexes ensures through its control framework that potential operational risks arising from third parties are duly managed. Principle 4 details the prescribed procedures that Morningstar Indexes practices to avoid such undue risks.</li> </ul>
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IOSCO Principle 3: Conflicts of Interest for Administrators	
IOSCO Principle	Morningstar Indexes Response
<p>To protect the integrity and independence of benchmark determinations, administrators should document, implement, and enforce policies and procedures to identify, disclose, manage, mitigate, or avoid conflicts of interest.</p>	<p>Morningstar Indexes is committed to achieving the highest standards of professionalism and ethical conduct in its operations and activities. As such, it expects all employees to conduct their business according to the highest ethical standards of conduct and to comply with all applicable practices.</p>
<p>Administrators should review and update their policies and procedures as appropriate. Administrators should disclose any material conflicts of interest to their users and any relevant regulatory authority. The framework should be appropriately</p>	<p>The Morningstar, Inc. Code of Ethics is used as the basis for Morningstar Indexes Conflicts of Interest Policy. The wider Indexes conflicts of interest framework and any</p>

<p>tailored to the level of existing or potential conflicts of interest identified and the risks that the benchmark pose and should seek to ensure:</p> <ul style="list-style-type: none"><li>A. Existing or potential conflicts of interest do not inappropriately influence benchmark determinations;</li><li>B. Personal interests and connections or business connections do not compromise the administrator's performance of its functions;</li><li>C. Segregation of reporting lines within the administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;</li><li>D. Adequate supervision and sign-off by authorized or qualified employees before releasing benchmark determinations;</li><li>E. The confidentiality of data, information and other inputs submitted to, received by, or produced by the administrator, subject to the disclosure obligations of the administrator;</li><li>F. Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any benchmark determinations; and</li><li>G. Adequate remuneration policies that ensure all staff who participate in the benchmark determination are not directly or indirectly rewarded or incentivized by the levels of the benchmark.</li></ul> <p>An administrator's conflict of interest framework should seek to mitigate existing or potential conflicts created by its ownership structure or control, or due to other</p>	<p>incorporated documents (including Conflicts of Interest Policy) are reviewed periodically by the IOC; the IOC also reviews any related training and any associated documentation made available to Indexes employees.</p> <p>Regarding relevant activities within each respective suggestion for the principle, Morningstar Indexes has implemented the following policies and procedures to identify, disclose, manage, mitigate, or avoid conflicts of interest.</p> <ul style="list-style-type: none"><li>- A., B, a, b - Potential and/or existing employee conflicts of interest are logged and maintained by the Morningstar, Inc. Compliance Team, through an internal reporting system. Any potential or realized interest, connection, and/or conflict is reviewed by the Compliance Team. Morningstar Indexes will disclose material conflicts of interest to its stakeholders and to relevant regulatory authorities on request.</li><li>- C., D., A – Morningstar Indexes ensures that specific roles and duties within the associated business lines are assigned appropriately and, as required, accordingly segregated. The responsibility to appropriately assign and segregate duties remains with Morningstar Indexes senior management, overseen by the IOC. Morningstar Indexes ensures adequate supervision and approval by authorized or qualified employees before releasing benchmark determinations.</li><li>- E., F., G. The Morningstar Indexes' Conflicts of Interest Policy addresses the confidentiality necessary for data and other sensitive information. All Morningstar Indexes employees are also subject to a Securities Trading and Disclosure Policy, including a blackout period during proforma periods prior to the rebalance/reconstitution of an Index. All Morningstar Indexes employees are bound by this control to ensure all necessary data remains confidential and is not used in a way that would violate the Conflicts of Interest Policy. The remuneration of Morningstar Indexes employees is not</li></ul>
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<p>interests the administrator's staff or wider group may have in relation to benchmark determinations.</p> <p>To this end, the framework should:</p> <ol style="list-style-type: none"> <li>Include measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business (including all staff who perform or otherwise participate in Benchmark production responsibilities), and any other business of the Administrator or any of its affiliates; and</li> <li>Provide that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority in a timely manner.</li> </ol>	<p>linked to the performance of any index.</p>
<b>IOSCO Principle 4: Control Framework for Administrators</b>	
<p><b>IOSCO Principle</b></p> <p>An administrator should implement an appropriate control framework for the process of determining and distributing the benchmark. The control framework should be tailored to the materiality of the potential or existing conflicts of interest identified to the extent of the use of discretion in the benchmark setting process and to the nature of benchmark inputs and outputs.</p> <p>The control framework should be documented and available to any relevant regulatory authorities. A summary of its main features should be published or made available to stakeholders. This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas:</p> <ol style="list-style-type: none"> <li>Conflicts of interest in line with Principle 3 on conflicts of interests;</li> <li>Integrity and quality of benchmark determination: <ol style="list-style-type: none"> <li>Arrangements to ensure that the quality and integrity of benchmarks is maintained, in line with principles 6 to 15 on the quality of the benchmark and methodology;</li> <li>Arrangements to promote the integrity of benchmark inputs, including</li> </ol> </li> </ol>	<p><b>Morningstar Indexes Response</b></p> <p>Morningstar Indexes is committed to achieving the highest standards of professionalism and ethical conduct in its operations and activities, and it expects its employees to conduct their business accordingly and to comply with all applicable laws.</p> <p>To achieve these aims, Morningstar Indexes has implemented a robust Conflict of Interest Policy. A more detailed description of this policy can be found in Principle 3.</p> <ol style="list-style-type: none"> <li>The Morningstar Indexes conflicts of interest framework seeks to ensure that Morningstar Indexes remains independent from all internal and external partners, mitigating risks and actual or perceived conflicts of interest. Controls that address conflicts of interest are detailed in Principle 3.</li> <li>Morningstar Indexes has specific processes and controls in place to promote index integrity and ensure data input quality: <ol style="list-style-type: none"> <li>To promote index quality:</li> </ol> </li> </ol> <p><i>Index restatement process:</i> Morningstar Indexes strives to deliver</p>

<p>adequate due diligence on input sources;</p> <ul style="list-style-type: none"><li>iii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19; and</li><li>iv. Providing robust infrastructure, policies, and procedures to manage risk, including operational risk.</li></ul> <p>C. Whistleblowing mechanism: Administrators should establish an effective whistleblowing mechanism to facilitate early awareness of any potential misconduct or irregularities. This mechanism should allow for external reporting of such cases where appropriate.</p> <p>D. Expertise:</p> <ul style="list-style-type: none"><li>i. Ensuring that benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence; and</li><li>ii. Staff training, including ethics and conflicts of interest training, and continuity and succession planning for personnel.</li></ul>	<p>the highest-quality data; however, index-level and/or constituent inaccuracies may occur. These inaccuracies may arise as a result of a late or missed dividend, a pricing error, an incorrect application of methodology, or any other missed/incorrectly applied data input. In the event an inaccuracy is identified, Morningstar Indexes will consider whether a restatement is necessary, in line with the Morningstar Indexes Index Recalculation Policy.</p> <p><i>Index QA Processes:</i> Morningstar Indexes employs a wide range of data QA processes, including variance reporting, rebalancing and reconstitution QA, and missing data alerts to minimize operational risks.</p> <ul style="list-style-type: none"><li>ii. To ensure data integrity:</li><p>Morningstar Indexes follows a host of processes to ensure that data is protected. This includes an employee exit procedure, mandatory periodic password updates, data transmission and collection processes, and a new data vendor selection process.</p><li>iii. To ensure accountability and an effective complaints procedure:</li><p>Morningstar Indexes has a client service process and system managed by the client services team, to ensure that all queries raised are tracked and addressed on a timely basis. Morningstar Indexes also has a formal complaints policy, administered by the Indexes Chief Compliance Officer. To ensure that the complaints procedure is effective, we maintain a Client Escalation framework. The Morningstar Client Service &amp; Implementation Team has an escalation framework and is responsible for managing and ensuring that processes are properly followed.</p></ul>
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	<p>Morningstar, Inc. Code of Ethics: Morningstar Indexes employees must comply with standards detailed in Principle 4 and in the Morningstar Code of Ethics. Employees annually certify that they have read, understood, and comply with the Morningstar Code of Ethics</p> <p>iv. To ensure business continuity:</p> <p>Morningstar Indexes has implemented a complete disaster recovery framework and disaster recovery site to allow for proper backup procedures.</p> <p>C. To help ensure that Morningstar Indexes employees follow all prescribed ethical and professional standards, a twofold whistleblowing and ethics hotline process is employed. Employees are educated on how to use this policy during Morningstar, Inc.'s annual Code of Ethics training.</p> <p>D. To ensure that all employees of Morningstar Indexes are properly qualified:</p> <ul style="list-style-type: none"> <li>i. All Morningstar Indexes personnel undergo an annual review.</li> <li>ii. All Morningstar employees annually certify that they have read, understood, and comply with the Morningstar Code of Ethics</li> </ul>
<b>IOSCO Principle 5: Internal Oversight</b>	
<b>IOSCO Principle</b> <p>Administrators should establish an oversight function to review and challenge all aspects of the benchmark determination process. This should include consideration of the features and intended, expected, or known usage of the benchmark and the materiality of existing or potential conflicts of interest identified. Oversight should be carried out either by a separate committee or other governance arrangements. The oversight function and its composition should provide effective scrutiny of the administrator. Such oversight could consider groups of benchmarks by type or asset class, provided that it otherwise complies with this principle. An administrator should</p>	<b>Morningstar Indexes Response</b> <p>The IOC is responsible for governance over the creation and maintenance of all Morningstar branded Indexes, ensuring the highest standards are continuously met. The IOC works with additional Morningstar, Inc. committees, soliciting suggestions and feedback as needed. All groups are comprised of informed and qualified professionals who seek to challenge information provided to them and/or make recommendations based on information provided to them. The oversight function is part of the organizational structure of Morningstar but is separate and independent from the Index business, Index Management, and other Index Committees such as the</p>

<p>develop and maintain robust procedures regarding oversight, which should be documented and available to any relevant Regulatory authorities. The main features of the procedures should be made available to stakeholders. These procedures should include:</p> <ul style="list-style-type: none"><li>A. The terms of reference of the oversight function;</li><li>B. Criteria to select members of the oversight function;</li><li>C. The summary details of membership of any committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of committee members.</li></ul> <p>The responsibilities of the oversight function include:</p> <ul style="list-style-type: none"><li>A. Oversight of the benchmark design:<ul style="list-style-type: none"><li>i. Periodic review of the definition of the benchmark and its methodology;</li><li>ii. Taking measures to remain informed about issues and risks to the benchmark, as well as commissioning external reviews of the benchmark (as appropriate);</li><li>iii. Overseeing any changes to the benchmark methodology, including assessing whether the methodology continues to appropriately measure the underlying interest, reviewing proposed and implemented changes to the methodology, and authorizing or requesting the administrator to consult with stakeholders (where known) or its subscribers on such changes as per Principle 12; and</li><li>iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation.</li></ul></li></ul>	<p>Index Methodology Committee.</p> <p>The Chair and Members of the committees are selected by Morningstar Indexes Leadership. The committee members are selected based on their relevant experience within Index Governance, Compliance and Data Integrity. The committee will have at least 3 voting members, these members will not be directly involved in Index administration or other be an employee of Morningstar Indexes.</p> <p>At its discretion, the IOC can invite experts with relevant index and research knowledge from within the Index team and across Morningstar to attend IOC meetings. Representatives of Index Leadership will not be IOC members but may be invited to attend meetings by the oversight function in a non-voting capacity. Changes to voting members are appointed by the Index Leadership and/or IOC.</p> <p>In regard to IOSCO's recommendations (A. (i-iv)), the IOC oversees index design. Specifically, it is responsible for ensuring an annual review of index methodology is carried out on each benchmark to assess whether the methodology continues to appropriately measure the Index's objective. The IOC ensures methodological changes have followed the methodology change process. The IOC can require the index team to undertake a consultation with stakeholders on material changes. The IOC reviews and approves procedures for termination of an index.</p> <p>In regard to IOSCO's recommendations (B. (i-iii)), the IOC oversees the Morningstar Indexes control framework and ensures the identification and possible resolutions of risks to the management and operation of Morningstar Indexes.</p> <p>Furthermore, the committee is responsible for periodically reviewing internal controls associated with Principle 4 and maintaining the results and subsequent action items for any internal or external audit.</p>
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<p>B. Oversight of the integrity of Benchmark determination and control framework:</p> <ul style="list-style-type: none"> <li>i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;</li> <li>ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and</li> <li>iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.</li> </ul>	
<b>IOSCO Principle 6: Benchmark Design</b>	
<p><b>IOSCO Principle</b></p> <p>The design of the benchmark should seek to achieve and result in an accurate and reliable representation of the economic realities of the interest it seeks to measure, and eliminate factors that might distort the price, rate, index, or value of the benchmark.</p> <p>Benchmark design should take into account the following generic nonexclusive features, and other factors should be considered, as appropriate to the particular interest:</p> <ul style="list-style-type: none"> <li>A. Adequacy of the sample used to represent the interest;</li> <li>B. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);</li> <li>C. Relative size of the underlying market in relation to the volume of trading in the market that references the benchmark;</li> <li>D. The distribution of trading among market participants (market concentration); and</li> <li>E. Market dynamics (to ensure that the benchmark reflects changes to the assets underpinning a benchmark, for example).</li> </ul>	<p><b>Morningstar Indexes Response</b></p> <p>For over twenty years, Morningstar has been developing indexes to understand market performance across regions, styles, and asset classes. With stable methodologies and index design, investors use Morningstar Indexes to analyze market performance. Custom benchmarks are also licensed by clients to create distinct index-linked investable products. Given these business needs, Morningstar designs its benchmarks while considering the IOSCO design recommendation. Details of an index's individual design, calculation, and maintenance are set in the index rulebooks available at <a href="https://indexes.morningstar.com">indexes.morningstar.com</a>.</p>

<b>IOSCO Principle 7: Data Sufficiency</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
<p>The data used to construct a benchmark determination should be sufficient to accurately and reliably represent the interest measured by the benchmark and should:</p> <ul style="list-style-type: none"><li>A. Be based on prices, rates, indexes, or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</li><li>B. Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the interest the benchmark measures in order for it to function as a credible indicator of prices, rates, indexes, or values.</li></ul> <p>This principle requires that a benchmark be based on, or anchored in, an active market having observable bona fide, arm's-length transactions. This does not mean that every individual benchmark determination must be constructed solely of transaction data. Provided that an active market exists, conditions in the market on any given day might require the administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions. Depending on the administrator's methodology, this could result in an individual benchmark determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8.</p> <p>Provided that subparagraphs a. and b. above are met, Principle 7 does not preclude benchmark administrators from using executable bids or offers as a means to construct benchmarks where anchored in an observable market consisting of bona fide, arm's-length transactions. This principle also recognizes that various indexes may be designed to measure or reflect the performance of a rule-based investment strategy, the volatility or behavior of an index or market or other aspects of an active market.</p>	<p>Morningstar Indexes measures and calculates the sufficiency of all data inputs for its indexes to assure that the accuracy of a benchmark is sufficiently met. These determinations may include, but are not limited to, those measurements listed in A. and B. Each index methodology document will dictate the treatment of data used in the calculation, generally aligned to the asset class type of the index. Index rulebooks are publicly available at <a href="https://indexes.morningstar.com">indexes.morningstar.com</a>.</p>

<p>Principle 7 does not preclude the use of non-transactional data for such indexes that are not designed to represent transactions and where the nature of the index is such that non-transactional data is used to reflect what the index is designed to measure. For example, certain volatility indexes, which are designed to measure the expected volatility of an index of securities transactions, rely on non-transactional data, but the data is derived from and thus "anchored" in an actual functioning securities or options market.</p>	
<b>IOSCO Principle 8: Hierarchy of Data Inputs</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
<p>An administrator should establish and publish or make available clear guidelines regarding the hierarchy of data inputs and exercise of expert judgment used for the determination of benchmarks.</p>	<p>Morningstar Indexes are based on prices sourced from regulated trading venues, including those for equities and fixed income. For our end-of-day equity indexes, we use the official closing prices from exchanges via data vendors, as detailed in our Morningstar Indexes Closing Prices document. If a price is missing for a certain day, we use the last available closing price.</p>
<p>In general, the hierarchy of data inputs should include:</p> <ol style="list-style-type: none"> <li>A. Where a benchmark depends on submissions, the submitters' own concluded arm's-length transactions in the underlying interest or related markets;</li> <li>B. Reported or observed concluded arm's-length transactions in the underlying interest;</li> <li>C. Reported or observed concluded arm's-length transactions in related markets;</li> <li>D. Firm executable bids and offers; and</li> <li>E. Other market information or expert judgments.</li> </ol>	<p>For our real-time equity indexes, we also use real-time prices from exchanges via data vendors. All closing values of Morningstar indexes are translated using an average WM/Reuters bid and ask price at 16:00 GMT, unless otherwise stated in the index methodology book.</p>
<p>Provided that the data sufficiency principle is met (that is, an active market exists), this principle is not intended to restrict an administrator's flexibility to use inputs consistent with the administrator's approach to ensuring the quality, integrity, continuity, and reliability of its benchmark determinations, as set out in the administrator's methodology.</p> <p>The administrator should retain flexibility to use the inputs it believes are appropriate</p>	

<p>under its methodology to ensure the quality and integrity of its benchmark. For example, certain administrators may decide to rely on expert judgment in an active, albeit low-liquidity market, when transactions may not be consistently available each day.</p> <p>IOSCO also recognizes that there might be circumstances (a low-liquidity market, for example) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given benchmark determination.</p>	
<b>IOSCO Principle 9: Transparency of Benchmark Determination</b>	
<b>IOSCO Principle</b> <p>The administrator should describe and publish with each benchmark determination, to the extent reasonable without delaying an administrator's publication deadline:</p> <ul style="list-style-type: none"> <li>A. A concise explanation, sufficient to facilitate a stakeholder's or market authority's ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a benchmark determination; terms referring to the pricing Methodology should be included (i.e., transaction-based, spread-based or interpolated/extrapolated);</li> <li>B. A concise explanation of the extent to which and the basis upon which expert judgment, if any, was used in establishing a benchmark determination.</li> </ul>	<b>Morningstar Indexes Response</b> <ul style="list-style-type: none"> <li>A. Morningstar publishes index methodology documents at <a href="https://indexes.morningstar.com">indexes.morningstar.com</a>. Indexes are typically based on data sourced from regulated markets or exchanges. Index methodology documents clearly describe the benchmark determination process and are publicly available. These documents provide sufficient transparency for stakeholders or market authorities to understand how the benchmark determination was developed. Morningstar clients have access to data files via FTP relevant to their product that contain adequate information to validate the benchmark determination calculations for an index.</li> <li>B. For indexes that may include expert judgment in establishing a benchmark determination, the explanation of this involvement is disclosed in the index rulebook.</li> </ul>
<b>IOSCO Principle 10: Periodic Review</b>	
<b>IOSCO Principle</b> <p>The administrator should periodically review the conditions in the underlying interest</p>	<b>Morningstar Indexes Response</b> <p>The Morningstar Index Methodology Committee (IMeC) conducts an annual review of</p>

<p>that the benchmark measures to determine whether the interest has undergone structural changes that might require changes to the design of the methodology. The administrator also should periodically review whether the interest has diminished or is nonfunctioning, it can no longer function as the basis for a credible benchmark.</p> <p>The administrator should publish or make available a summary of such reviews where material revisions have been made to a benchmark, including the rationale for the revisions.</p>	<p>existing index methodologies in accordance with EU BMR, ensuring that index methodologies remain fit for purpose under the direction of the IOC. The IMeC will review and address any issues or risks brought to its attention. The IMeC will report the results of the annual review to the IOC.</p> <p>When a material methodology change is undertaken, Morningstar will publish a methodology change statement on the Indexes website covering the methodology change, rationale for the change, a list of affected indexes and an impact analysis if appropriate, and an effective date of the approved change.</p>
<b>IOSCO Principle 11: Content of the Methodology</b>	
<b>IOSCO Principle</b> <p>The administrator should document and publish or make available the methodology used to make benchmark determinations. The administrator should provide the rationale for adopting a particular methodology. The published methodology should provide sufficient detail to allow stakeholders to understand how the benchmark is derived and to assess its representativeness, its relevance to particular stakeholders, and its appropriateness as a reference for financial instruments. At a minimum, the methodology should contain:</p> <ul style="list-style-type: none"> <li>A. Definitions of key terms;</li> <li>B. All criteria and procedures used to develop the benchmark, including input selection, the mix of inputs used to derive the benchmark, the guidelines that control the exercise of expert judgment by the administrator, priority given to certain data types, minimum data needed to determine a benchmark, and any models or extrapolation methods;</li> <li>C. Procedures and practices designed to promote consistency in the exercise of expert judgment between benchmark determinations;</li> <li>D. The procedures that govern benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (theoretical estimation models, for example);</li> <li>E. The procedures for dealing with error reports, including when a revision of a</li> </ul>	<b>Morningstar Indexes Response</b> <p>Morningstar publishes methodology documents for all its indexes at <a href="http://indexes.morningstar.com">indexes.morningstar.com</a>. The public rulebooks highlight Morningstar's rationale behind the methodology and calculation for each index. Morningstar key terms are defined in the indexes' fact sheets, which are publicly available to stakeholders. The index methodologies within the rulebooks detail all criteria and procedures such as eligibility requirements, weightings, and calculations used for the determination of the benchmarks. The methodologies provide stakeholders with sufficient information to understand how the index is calculated and its relevance to the market as an instrument for financial measurement. If expert judgment is considered in the benchmark determination, all analysis is provided in the index rulebook. Contingency plans triggered by market stress or disruption will be resolved at the discretion of the Morningstar Index Methodology Committee and will follow the Morningstar governance process.</p> <p>Information regarding the frequency for internal reviews and approvals of the methodology are available in published methodology rulebooks. Any methodology changes are made public on <a href="http://indexes.morningstar.com">indexes.morningstar.com</a>. Additionally, stakeholders are contacted about any changes and their impact on the index.</p>

<p>benchmark would be applicable;</p> <p>F. Information regarding the frequency for internal reviews and approvals of the methodology. Where applicable, the published methodologies should also include information regarding the procedures and frequency for external review of the methodology;</p> <p>G. The circumstances and procedures under which the administrator will consult with stakeholders, as appropriate and;</p> <p>H. The identification of potential limitations of a benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p>	
<b>IOSCO Principle 12: Changes to the Methodology</b>	
<p><b>IOSCO Principle</b></p> <p>An administrator should publish or make available the rationale for any proposed material change in its methodology and the procedures for making such changes. These procedures should clearly define what constitutes a material change and the method and timing for consulting or notifying subscribers (and other stakeholders when appropriate, taking into account the breadth and depth of the benchmark's use) of changes. The procedures should be consistent with the overriding objective of ensuring the continued integrity of an administrator's benchmark determinations. When changes are proposed, the administrator should specify exactly what these changes entail and when they are intended to apply.</p> <p>The administrator should specify how changes to the methodology will be scrutinized by the oversight function. The administrator should develop stakeholder consultation procedures in relation to changes to the methodology that are deemed material by the oversight function and that are appropriate and proportionate to the breadth and depth of the benchmark's use and the nature of the stakeholders.</p> <p>Procedures should:</p> <p>A. Provide advance notice and a clear time frame that gives stakeholders sufficient opportunity to analyze and comment on the impact of such</p>	<p><b>Morningstar Indexes Response</b></p> <p>Changes to the methodology of indexes are governed by the Morningstar Indexes Methodology Change Policy document. Any changes that affect the methodology of an index will be publicly published, and all relevant stakeholders will be notified. Morningstar's governance structure ensures that such changes are reviewed by the Morningstar Index Methodology Committee, and that all stakeholders are notified of when and how changes will take effect.</p>

<p>proposed material changes, having regard to the administrator's assessment of the overall circumstances; and</p> <p>B. Provide for stakeholders' summary comments and the administrator's summary response to those comments to be made accessible to all stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	
<b>IOSCO Principle 13: Transition</b>	
<p><b>IOSCO Principle</b></p> <p>Administrators should have clear written policies and procedures to address the possible cessation of a benchmark because of market structure change, product definition change, or any other condition that makes the benchmark no longer representative of its intended interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a benchmark and the economic and financial stability impact that might result from the cessation of the benchmark. The administrator should take into account the views of stakeholders and any regulatory and national authorities to determine what policies and procedures are appropriate for a particular benchmark. These written policies and procedures should be published or made available to all stakeholders.</p> <p>Administrators should encourage subscribers and other stakeholders who have financial instruments that reference a benchmark to ensure that:</p> <p>A. Contracts or other financial instruments that reference a benchmark have robust fallback provisions in the event of material changes to, or cessation of, the referenced benchmark; and</p> <p>B. Stakeholders are aware that various factors, including external factors beyond the control of the administrator, might require material changes to a benchmark.</p>	<p><b>Morningstar Indexes Response</b></p> <p>Morningstar Indexes has clearly documented internal and external index cessation procedures. Although decommissioning an index is uncommon, circumstances may arise that call for the cessation of a Morningstar index, including, but not limited to market structure change, geopolitical events, regulatory changes, product definition change, inadequate supply of data, and/or other external factors beyond the control of Morningstar.</p> <p>As outlined in the Morningstar Indexes Index Decommissioning Policy, available at <a href="http://indexes.morningstar.com">indexes.morningstar.com</a>, index cessation proposals are brought before the Morningstar Index Methodology Committee, who will assess the circumstances, number of potentially impacted stakeholders, as well as the economic and financial impact of the cessation, as necessary. The Index Methodology Committee will approve any index cessation that has minimal client impact and recommend any index cessation with client impact to the Index Product Committee for final approval.</p> <p>Morningstar will announce to Index subscribers, vendors, and to the public the intended Index cessation at least three months prior to cessation date. All notifications of index cessation and other announcements are made publicly available at <a href="http://indexes.morningstar.com">indexes.morningstar.com</a>.</p> <p>Before any index is decommissioned, Morningstar Indexes evaluates the potential cessation impact and consults with all stakeholders, if applicable, to determine the</p>

<p>Administrators' written policies and procedures to address the possibility of benchmark cessation could include the following factors, if determined to be reasonable and appropriate by the administrator:</p> <ul style="list-style-type: none"> <li>A. Criteria to guide the selection of a credible alternative benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing benchmark's characteristics (credit quality, maturities, and liquidity of the alternative market), differentials between benchmarks, the extent to which an alternative benchmark meets the asset/liability needs of stakeholders, whether the revised benchmark is investable, the availability of transparent transaction data, the impact on stakeholders, and the impact of existing legislation.</li> <li>B. The practicality of maintaining parallel benchmarks (e.g., where feasible, maintain the existing benchmark for a defined period of time to permit existing contracts and financial instruments to mature and publish a new benchmark) in order to accommodate an orderly transition to a new benchmark;</li> <li>C. The procedures that the administrator would follow if a suitable alternative cannot be identified;</li> <li>D. If a benchmark or a tenor of a benchmark will be discontinued completely, the policy defines the period of time in which the benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative benchmark if necessary; and</li> <li>E. The process by which the administrator will engage stakeholders and any market and national authorities, as appropriate, in the process for selecting and moving toward an alternative benchmark, including the time frame for any such action commensurate with the tenors of the financial instruments referencing the benchmarks and the adequacy of notice that will be provided to stakeholders.</li> </ul>	<p>most suitable course of action. Given the cessation impact as well as takeaways from the stakeholder consultation, the Morningstar Index Methodology Committee will determine if and how Morningstar Indexes will provide specific transition assistance. Transition assistance could be (but is not limited to) the continued calculation of an index for a specified time period, until a suitable alternative index has been identified.</p>
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IOSCO Principle 14: Submitter Code of Conduct	
IOSCO Principle	Morningstar Indexes Response
When a benchmark is based on submissions, the following additional principle also	Morningstar indexes are calculated based on data from regulated trading venues or

<p>applies: The administrator should develop guidelines for submitters, a code of conduct, that should be available to any relevant regulatory authorities and published or made available to stakeholders. The administrator should only use inputs or submissions from entities that adhere to the submitter code of conduct, and the administrator should monitor and record adherence from submitters.</p> <p>The administrator should require submitters to confirm adherence to the code of conduct annually and whenever a change to the code has occurred. The administrator's oversight function should be responsible for the continuing review and oversight of the submitter code of conduct. The code of conduct should address:</p> <ul style="list-style-type: none"><li>i. The selection of inputs;</li><li>ii. Who may submit data and information to the administrator;</li><li>iii. Quality control procedures to verify the identity of a submitter and any employee of a submitter who reports data or information and the authorization of such persons to report market data on behalf of a submitter;</li><li>iv. Criteria applied to employees of a submitter who are permitted to submit data or information to an administrator on behalf of a submitter;</li><li>v. Policies to discourage the interim withdrawal of submitters from surveys or panels;</li><li>vi. Policies to encourage submitters to submit all relevant data; and</li><li>vii. The submitters' internal systems and controls, which should include:<ul style="list-style-type: none"><li>a. Procedures for submitting inputs, including methodologies, to determine the type of eligible inputs, in line with the administrator's methodologies;</li><li>b. Procedures to detect and evaluate suspicious inputs or transactions, including intergroup transactions, and to ensure the bona fide nature of such inputs, where appropriate;</li><li>c. Policies guiding and detailing the use of expert judgment, including documentation requirements;</li><li>d. Record-keeping policies;</li></ul></li></ul>	<p>other data vendors and are therefore not based on submissions.</p>
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<ul style="list-style-type: none"> <li>e. Pre-submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;</li> <li>f. Training, including training with respect to any relevant regulation (covering benchmark regulation or any market abuse regime);</li> <li>g. Suspicious submission reporting;</li> <li>h. Roles and responsibilities of key personnel and accountability lines;</li> <li>i. Internal sign-off procedures by management for submitting inputs;</li> <li>j. Whistleblowing policies (in line with Principle 4); and</li> <li>k. Conflicts of interest procedures and policies, including prohibitions on the submission of data from front-office functions unless the administrator is satisfied that there are adequate internal oversight and verification procedures for front-office function submissions of data to an administrator (including safeguards and supervision to address possible conflicts of interests as per paragraphs (v) and (ix) above), the physical separation of employees and reporting lines where appropriate, the consideration of how to identify, disclose, manage, mitigate, and avoid existing or potential incentives to manipulate or otherwise influence data inputs (whether or not in order to influence the benchmark levels), including, without limitation, through appropriate remuneration policies and by effectively addressing conflicts of interest that may exist between the submissions (including all staff who perform or otherwise participate in benchmark submission responsibilities) and any other business of the submitter or of any of its affiliates or any clients or customers.</li> </ul>	
<b>IOSCO Principle 15: Internal Controls over Data Collection</b>	
<b>IOSCO Principle</b> When data is collected from any external source, the administrator should ensure that there are appropriate internal controls over the collection and transmission processes. These controls should address the process for selecting the source, collecting the data, and protecting the integrity and confidentiality of the data. When	<b>Morningstar Indexes Response</b> As referred to in Principle 4, Morningstar Indexes follows a host of processes to ensure that data is protected. This includes an employee exit procedure, mandatory periodic password updates, data transmission and collection processes via secured data portals, and a new data vendor selection process. In addition, Morningstar maintains a

administrators receive data from employees of the front-office function, the administrator should seek corroborating data from other sources.	full Disaster Recovery site, along with ensuring a properly established segregation of duties between members of the team.
<b>IOSCO Principle 16: Complaints Procedures</b>	
<b>IOSCO Principle</b>  The administrator should establish and publish or make available a written complaints procedures policy by which stakeholders may submit complaints, including whether a specific benchmark determination is representative of the underlying interest it seeks to measure, applications of the methodology in relation to specific benchmark determinations, and other administrator decisions in relation to a benchmark determination.  The complaints procedures policy should:  <ul style="list-style-type: none"><li>A. Permit complaints to be submitted through a user-friendly complaints process such as an electronic submission system;</li><li>B. Contain procedures for receiving and investigating complaints made about the administrator's benchmark determination process timely and fairly by personnel who are independent of anyone who may be or may have been involved in the subject of the complaint, advising the complainant, and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;</li><li>C. Contain a process for escalating complaints, if needed, to the administrator's governance body; and</li><li>D. Require all documents relating to a complaint, including those submitted by the complainant as well as the administrator's own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.</li></ul> Disputes about a benchmarking determination, which are not formal complaints, should be resolved by the administrator by appropriate standard procedures. If a complaint results in a change in a benchmark determination, that should be	<b>Morningstar Indexes Response</b>  To ensure that all Morningstar Indexes' clients and prospects receive accurate, timely, and detailed responses to any Morningstar index-related inquiry or complaint, we employ a global support framework. All client queries raised to <a href="mailto:Indexes@morningstar.com">Indexes@morningstar.com</a> are tracked and responded to by the client services team. Morningstar Indexes also has a formal complaint policy administered by the Indexes Chief Compliance Officer.  <ul style="list-style-type: none"><li>A. All complaints or queries regarding index methodology, reconstitution/rebalance results, corporate actions, publication, and other special requests can be submitted via email or phone.</li><li>B. All queries and complaints are logged and evaluated by the client service team who further disseminates or escalates the issues. In accordance with Morningstar's internal complaints and inquiries procedure, all critical issues are responded to within one business day, while all standard issues are responded to within three business days.</li><li>C. The internal inquiries and complaints procedure contains a process to escalate issues up to the Morningstar IOC.</li><li>D. All documents relating to a complaint or inquiry are logged electronically and are retained for at least five years.</li></ul> If a vendor or client submits an inquiry or complaint that identifies a benchmark inaccuracy, Morningstar Indexes will evaluate and handle according to the Morningstar Indexes Recalculation Guidelines, which can be found at <a href="http://indexes.morningstar.com">indexes.morningstar.com</a> .

published or made available to subscribers and published or made available to stakeholders as soon as possible as set out in the methodology.	
<b>IOSCO Principle 17: Audits</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
<p>The administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the administrator's adherence to its stated criteria and with the principles. The frequency of audits should be proportionate to the size and complexity of the administrator's operations.</p> <p>Where appropriate to the level of existing or potential conflicts of interest identified by the administrator (except for benchmarks that are otherwise regulated or supervised by a national authority other than a relevant regulatory authority), an administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the administrator's adherence to its stated criteria and with the principles. The frequency of audits should be proportionate to the size and complexity of the administrator's benchmark operations, and the breadth and depth of benchmark use by stakeholders.</p>	<p>The IOC may elect to use Morningstar's compliance and/or internal audit department to periodically review and report on the index team's adherence to its stated policy, procedures, and practices. The frequency of such reviews is based on several factors, including complaints received, the identified conflicts of interest, and the complexity in the operations and administration of an index.</p> <p>When warranted, Morningstar's IOC may appoint an independent external auditor with appropriate experience and capability to periodically review and report on the adherence to its stated methodologies. Similar to the above, the frequency of such reviews is based on factors like the size and complexity of the index team's operations and the identified conflicts of interests.</p>
<b>IOSCO Principle 18: Audit Trail</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
<p>Written records should be retained by the administrator for five years, subject to applicable national legal or regulatory requirements on:</p> <ol style="list-style-type: none"> <li>All market data, submissions and any other data and information sources relied upon for benchmark determination;</li> <li>The exercise of expert judgment made by the administrator in reaching a benchmark determination;</li> <li>Other changes in, or deviations from, standard procedures and methodologies, including those made during periods of market stress or disruption;</li> </ol>	<p>Morningstar Indexes is committed to maintaining the necessary requirements for all auditable information necessitated by IOSCO. This includes:</p> <ol style="list-style-type: none"> <li>All data used in index determination and maintenance kept for at least five years, with data replication to be stored in a backup location in accordance with a disaster recovery plan.</li> <li>The use of expert judgment and the changes and/or deviations in policy or methodology are kept on record within the meeting minutes of all Index Committee meetings, as determined by the Index Committee. Each Index Committee's meeting is recorded and kept for a minimum of five years.</li> <li>The use of expert judgment and the changes and/or deviations in policy or</li> </ol>

<p>D. The identity of each person involved in producing a benchmark determination; and</p> <p>E. Any queries and responses relating to data inputs.</p> <p>If these records are held by a regulated market or exchange, the administrator may rely on these records and the changes and/or deviations in policy or methodology for compliance with this principle, subject to appropriate written record-sharing agreements.</p> <p><i>When a benchmark is based on submissions, the following additional principle also applies:</i></p> <p>Submitters should retain records for five years subject to applicable national legal or regulatory requirements on:</p> <ul style="list-style-type: none"><li>A. The procedures and methodologies governing the submission of inputs;</li><li>B. The identity of any other person who submitted or otherwise generated any of the data or information provided to the administrator;</li><li>C. Names and roles of individuals responsible for submission and submission oversight;</li><li>D. Relevant communications between submitting parties;</li><li>E. Any interaction with the administrator;</li><li>F. Any queries received regarding data or information provided to the administrator;</li><li>G. Declaration of any conflicts of interests and aggregate exposures to benchmark-related instruments;</li><li>H. Exposures of individual traders/desks to benchmark-related instruments in order to facilitate audits and investigations; and</li><li>I. Findings of external/internal audits, when available, related to benchmark submission remedial actions and progress in implementing them.</li></ul>	<p>methodology are kept on record within the meeting minutes of all Index Committee meetings, as determined by the Index Committee. Each Index Committee's meeting is recorded and kept for a minimum of five years.</p> <p>D. All Morningstar employees and teams involved in the determination of an index are documented, including role, function, and relevant human resources data.</p> <p>E. All communication related to Morningstar Indexes' data, methodologies, and/or queries are stored for a minimum of five years.</p>
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<b>IOSCO Principle 19: Cooperation with Regulatory Authorities</b>	
<b>IOSCO Principle</b>	<b>Morningstar Indexes Response</b>
Relevant documents, Audit Trails and other documents subject to these Principles shall be made readily available by the relevant parties to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.	Morningstar Indexes will cooperate with all regulatory authorities in relation to relevant and legitimate requests or investigations, barring any applicable legal constraints, including, but not limited to, confidentiality.

### **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. In February 2026, the acquisition of CRSP brought the CRSP Market Indexes—benchmarks for over \$3 trillion in US equities—into the Morningstar Indexes family. Additionally, CRSP's Research Data Products, renowned for their academic rigor, historical depth and accuracy, will further enhance Morningstar's equity research and data capabilities. This integration unites two trusted sources of market insight, reinforcing a shared commitment to transparency, quality, and investor-focused solutions.

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

### **Contact Us**

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